



# Fiscal Note

## H.B. 52

2024 General Session  
 Industrial Hemp Amendments - As Amended  
 by Dailey-Provost, J.



### General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$405,200	\$(1,001,200)	\$(596,000)

### State Government

UCA 36-12-13(2)(c)

Revenues	FY 2024	FY 2025	FY 2026
General Fund	\$0	\$780,600	\$780,600
General Fund, One-time	\$0	\$(956,300)	\$0
Dedicated Credits Revenue	\$0	\$(1,096,900)	\$(1,096,900)
Restricted Accounts (FN Only)	\$0	\$(319,400)	\$(881,600)
New Account Created By Bill (FN Only)	\$0	\$775,700	\$3,568,100
<b>Total Revenues</b>	<b>\$0</b>	<b>\$(816,300)</b>	<b>\$2,370,200</b>

Enactment of this legislation could reduce revenues to the General Fund and Sales Tax Earmarks (restricted accounts) by \$495,200 in FY 2025, and by \$101,000 beginning in FY 2026. This legislation could also increase revenue to the newly created Cannabinoid Proceeds Restricted Account by \$775,700 in FY 2025 and by \$3,568,100 beginning in FY 2026 from a 10% tax on retail sales of cannabinoid products. Finally, this legislation could reduce Dedicated Credit revenue to the Department of Agriculture and Food by \$1,096,900 from no longer charging product registration and associated fees as outlined in the bill.

Expenditures	FY 2024	FY 2025	FY 2026
General Fund	\$0	\$375,400	\$375,400
General Fund, One-time	\$0	\$44,900	\$0
New Account Created By Bill (FN Only)	\$0	\$1,506,400	\$1,421,500
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$1,926,700</b>	<b>\$1,796,900</b>

Enactment of this legislation could cost the Tax Commission \$420,300 in FY 2025 and \$375,400 from the General Fund beginning in FY 2026 to administer and collect the new tax created by the bill. This legislation could also increase expenditures from the newly created Cannabinoid Proceeds Restricted Account (restricted account) by \$1,371,500 starting in FY 2025 to enforce the Hemp and Cannabinoid Act as outlined in the bill. Finally, enactment of this legislation may increase costs for the Governor's Office of Economic Opportunity from the newly created restricted account by \$5,000 one-time and \$50,000 ongoing beginning in FY 2025.

	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>
<b>Net All Funds</b>	<u>\$0</u>	<u>\$(2,743,000)</u>	<u>\$573,300</u>

**Local Government** UCA 36-12-13(2)(c)

Enactment of this legislation likely could reduce local government sales tax revenues by approximately \$585,000 in FY 2025 and \$1,615,000 starting in FY 2026. This loss may be offset by revenue from the Cannabinoid Proceeds Restricted Account as outlined in the bill.

**Individuals & Businesses** UCA 36-12-13(2)(c)

Businesses who sell retail cannabinoid products will be required to obtain a license from the Tax Commission and collect the new retail sales of cannabinoid products. Businesses will no longer be required to pay the registration fee to the Department of Agriculture and Food for cannabinoid products. Consumers that purchase cannabinoid products will pay increased tax on cannabinoid products (5.85% increase) starting in calendar year 2025. In aggregate, this is estimated to save consumers \$304,000 in FY 2025 and cost an additional \$1,851,000 in FY 2026.

**Regulatory Impact** UCA 36-12-13(2)(d)

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

**Performance Evaluation** JR1-4-601

This bill does not create a new program or significantly expand an existing program.

**Notes on Notes**

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.