



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill # SB0406

Title: Generally revise medical marijuana laws

Primary Sponsor: Driscoll, Robyn

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$17,050	\$17,050	\$17,050	\$17,100
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 406 changes the statutory requirements regarding a provider of medicinal marijuana or marijuana infused products and establishes an annual fee for these providers.

FISCAL ANALYSIS

Assumptions:

- As of December 2014 there were 10,268 registered patient card holders and 378 registered providers of marijuana or marijuana infused products.
- The changes proposed in this bill will allow providers to sell their products for compensation and removes the limitation on the number of patients for whom a provider may provide product.
- The changes proposed in this bill pertaining to these limitations have not been enforced by the department for the past three years due to a legal injunction against the enforcement of these limitations.
- While it is anticipated that the number of registered providers will increase with passage of this bill. The average number of providers over the past three years is 341 with no definitive growth rate (the average growth rate over this time frame was .077%). For purposes of this fiscal note an estimated .077% growth will be used.

- Providers of marijuana and marijuana infused products currently pay \$50 annually for registration. This bill increases that to \$100.

<u>Summary of Impacts</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Providers	341	341	341	342
Present Law				
Fee	\$50	\$50	\$50	\$50
Revenue	\$17,050	\$17,050	\$17,050	\$17,100
Proposed SB 40				
Fee	\$100	\$100	\$100	\$100
Revenue	\$34,100	\$34,100	\$34,100	\$34,200
Total Revenue (Present Law vs SB 40)	\$17,050	\$17,050	\$17,050	\$17,100

- The program does not anticipate any increased costs to process the estimated increase in provider applications.
- This bill provides for rule making authority to the department for the changes in statute. It is estimated that 5 to 10 pages of rules would be required. This cost will be absorbed within existing resources.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$17,050</u>	<u>\$17,050</u>	<u>\$17,050</u>	<u>\$17,100</u>
TOTAL Revenues	<u>\$17,050</u>	<u>\$17,050</u>	<u>\$17,050</u>	<u>\$17,100</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$17,050	\$17,050	\$17,050	\$17,100

Sponsor's Initials

Date

Budget Director's Initials

Date



Dedication of Revenue 2017 Biennium

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17-1-507-509, MCA.

- a) Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain) No
- b) What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund? The revenue obtained by the passage of this bill would be used to continue to fund the Montana Marijuana Program patient and provider card registry.
- c) Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain) Yes
- d) Does the need for this state special revenue provision still exist? Yes No (Explain) Yes, the funds are used to pay for the costs associated with administering the program.
- e) Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain) No
- f) Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain) Yes, the funds are used to pay for the costs associated with administering the program.
- g) How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?) There are no efficiencies or inefficiencies from the collection of this revenue.