



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0568

Title: Limit number and location of recreational marijuana dispensaries

Primary Sponsor: Sheldon-Galloway, Lola

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 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	Unknown	Unknown	Unknown	Unknown
State Special Revenue	Unknown	Unknown	Unknown	Unknown
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

Description of fiscal impact: HB 568 has no fiscal impact to state expenditures. Impacts to state revenues are unknown.

FISCAL ANALYSIS

Assumptions:

- HB 568 creates a limit on the number of adult-use marijuana dispensaries in each county based on population. Each county with a population of less than 10,000 would be permitted to have one dispensary, and larger counties could have one additional dispensary for each 10,000 inhabitants. The maximum dispensaries allowed in any county would be 10.
- Currently, the adult-use recreational marijuana market has yet to be implemented statewide. It is assumed that residents in the state would still have access to purchase recreational marijuana in their community. Whether or not the limitation of the number of dispensaries would still be capable of supporting the demand for adult-use marijuana estimated under present law is unknown. As such the impact on the estimated amount of sales and tax revenue is unknown. If the limitation on dispensaries does reduce overall sales compared to present law estimates, then tax revenue would decrease, with an unknown impact on "black-market" sales.

3. Based on recent county-level population data, it is estimated that the maximum number of dispensaries allowed in the state would be 128. This is significantly lower than the current 242 medical marijuana dispensaries so some of those would have to close or not be permitted to sell adult-use marijuana.
4. This bill also increases the distance requirement between a dispensary and a school or church from 500 to 1000 feet and adds day-care facilities, preschools, parks, and playgrounds to that list of places.
5. The department does not expect to incur additional costs from this bill, but the limited number of dispensaries may require the department to charge very high license fees in order to cover the administrative costs.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<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>				
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. The limit on dispensaries would be lower than the current number of medical marijuana dispensaries and it is not specified who will get the limited number of adult-use dispensary licenses. The department would likely face litigation related to the distribution of the licenses and the closure of any current dispensary within 1000 feet of a school, church, park, etc.
2. In section 2, the bill adds references to definitions for pre-school and daycare but not for park, playground, or recreational facility.

NOT SIGNED BY SPONSOR

_____	2/26/21	KA	2/26/21
Sponsor's Initials	Date	Budget Director's Initials	Date