

# Fiscal Note

**BILL #** SB 1447

**TITLE:** fentanyl; manufacturing drugs; machines

**SPONSOR:** Kavanagh

**STATUS:** Senate Engrossed

**PREPARED BY:** Jordan Johnston

## Description

The bill would define a pill tableting machine and an encapsulating machine and establishes reporting requirements for the sale and/or transfer of these machines. The bill also adds 6 chemical substances to the definition of a precursor chemical 2. The bill further increases the penalty for counterfeit manufacturing of certain substances and drugs from a class 1 misdemeanor to a class 5 felony.

## Estimated Impact

We estimate no impact to the General Fund from this bill.

We estimate the bill will increase the administrative costs for the Department of Public Safety (DPS), but we are unable to determine the magnitude of this cost without agency input.

We have requested DPS's estimated impact of this legislation and are awaiting their response.

## Analysis

The bill would create definitions of a pill tableting machine and an encapsulating machine and requires any person who sells or transfers these machines in Arizona to submit a report to DPS on the transaction. DPS is required to provide a common form for the seller to fill out and submit no less than 10 days before delivery of the pill tableting machine or encapsulating machine. The bill also requires any purchaser to fill out the common form and submit the report of the transaction to DPS no less than 3 days after payment of the machine. A licensed pharmacist is exempt from the aforementioned reporting requirements, unless the pharmacist resells or transfers the machine to a non-licensed entity.

We estimate that the department could incur some costs to administer the new reporting requirements under the bill, including one-time costs to create and make available the common form as well as ongoing costs to maintain the submitted forms in a database. Without input from the department, we are unable to determine these costs in advance.

Any seller or purchaser who fails to submit the report or falsifies information in the report is charged with a class 1 misdemeanor, except that a subsequent violation is considered a class 6 felony. This new penalty may incur some costs and revenues to the courts depending on the number of individuals who violate this new statute.

The bill adds 6 chemical substances to the definition of a precursor chemical 2. We are unable to determine in advance any potential costs or revenues to the state as a result of this definition change.

The bill further increases the penalty for the counterfeit manufacturing of any controlled substance, prescription-only drug, or over-the-counter drugs from a class 1 misdemeanor to a class 5 felony. According to the Administrative Office of the Courts there were no recorded charges for this violation between 2019 and 2023. As such, we are unable to determine how many, if any, charges will be prosecuted under this statute with the increased penalty.

(Continued)



**Local Government Impact**

None

2/23/24