

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 274** HLS 18RS 551  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 16, 2018	8:54 AM	<b>Author:</b> JORDAN
<b>Dept./Agy.:</b> Corrections		<b>Analyst:</b> Monique Appeaning
<b>Subject:</b> Marijuana		

CONTROLLED SUBSTANCES OR DECREASE GF EX See Note Page 1 of 1  
 Provides for the decriminalization of marijuana possession and distribution

Proposed law removes the penalty for distribution or possession with intent to distribute marijuana. Proposed law repeals marijuana from Schedule I's list of hallucinogenic substances.

Proposed law shall become effective if the legislature provides for a statutory regulatory system for the legal sale and distribution of marijuana and establishes a sales tax on those sales.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law will result in a decrease in SGF expenditures in the Department of Public Safety and Corrections - Correction Services (DPSC) to the extent the penalty for distribution or possession with intent to distribute marijuana is no longer a crime. Proposed law is contingent upon enactment of a statutory regulatory system for the legal sale and distribution of marijuana and establishment of a sales tax on those sales. To the extent the caveats in proposed law occur and the penalty for distribution or possession with intent to distribute marijuana is no longer a crime, SGF expenditures will decrease by \$54.21 per offender per day if an offender is housed in a state facility or \$24.39 for a state offender housed in a local facility. An offender sentenced to the custody of the DPSC for one year would create SGF expenditures of \$19,786.65 (\$54.21 per day x 365 days) if housed in a state facility and \$8,902.35 (\$24.39 per day x 365 days) if housed in a local facility. Approximately 50% of state offenders are housed in state facilities and approximately 50% of state offenders are housed in local facilities. Proposed law also will likely result in an indeterminable decrease expenditures for local governing authorities for misdemeanor offenses.

DPSC reports that there are currently 2,286 offenders incarcerated for the above mentioned crimes with an average sentence length imposed of 3 years. In the past two years there was an average of 287 admissions for these crimes with an average sentence length of imposed of 5 years. In 2017, there were 560 releases with an average time served of 3 years.

**Louisiana District Attorney Association (LDAA)**

LDAA reports that proposed law will create an indeterminable increase in expenditures in District Attorney Offices throughout the state, presupposing an increase in crime rates which coincide with the legalization of marijuana.

**Louisiana Public Defender Board (LPDB)**

LPDB reports that 10,420 new cases were opened during Calendar Year 2017 with marijuana possession or distribution as the dominant charge. That number represents 6.5% of total cases opened during 2017. During 2017, the District Public Defender Offices spent \$52,653,781 in local and state funding to represent clients.

**Judiciary**

The Judiciary reports an indeterminable impact on expenditures as 94% of the data on the type of drug conviction in the CMIS database lacks information regarding the type of drug.

**REVENUE EXPLANATION**

Proposed law will likely result in an indeterminable decrease to the extent the penalty for distribution or possession with intent to distribute marijuana is no longer a crime and a statutory regulatory system for the legal sale and distribution of marijuana are implemented. The potential revenue loss will impact local governing authorities to whom fines currently accrue. Present law provides for maximum fine of \$5,000 if a person is convicted of distribution or possession with intent to distribute marijuana.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**