

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 72** HLS 15RS 655
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 7, 2015	12:49 PM	Author: MACK
Dept./Agy.: Corrections		Analyst: Zachary Rau
Subject: Controlled Substances		

CONTROLLED SUBSTANCES RE INCREASE GF EX See Note Page 1 of 2
 Adds additional substances to Schedule I of the Uniform Controlled Dangerous Substances Law

Present law provides for classification of controlled dangerous substances in Schedules I through V.

Proposed law adds substances to the list of Schedule I controlled dangerous substances for hallucinogenic drugs, stimulants, and synthetic cannabinoids.

Proposed law includes exceptions to present law concerning certain amounts of controlled dangerous substances found in products labeled as dietary supplements.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						
REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

The proposed legislation will result in an indeterminable increase in state general fund and local funds expenditures. The exact fiscal impact of the passage of this legislation is indeterminable, since it is not known how many people will be convicted under the the new additions to the hallucinogenic substances, stimulants, and synthetic cannabinoids sections of Schedule I of the Uniform Controlled Dangerous Substances Law.

Any offender sentenced to the custody of the Department of Public Safety and Corrections for 2nd, 3rd, and subsequent possession, manufacturing, and distribution offenses increases expenditures by \$24.39 per day per offender in local facilities, an annual cost of \$8,902. To the extent that offenders are sentenced and housed in state facilities, the cost per day per offender is \$51.62, an annual cost of \$18,841. Currently, the Department of Corrections houses approximately 50% of state offenders at the local level and approximately 50% at the state level.

In 2014, the Department of Public Safety and Corrections admitted 195 offenders for crimes related to Schedule I drug manufacture and distribution with an average sentence of approximately 7 years. In addition, the Department of Public Safety and Corrections admitted 247 offenders for the possession of Schedule I drugs and 12 offenders for possession of cannabinoids. In the event there is a 5% increase in the total of 442 offenders (23 offenders) sentenced to state custody and housed equally in state and local facilities for possession, manufacture, or distribution of Schedule I drugs as a result of the proposed legislation, an annual increase of \$314,200 in state general fund expenditures would occur (11 offenders in state facilities x \$18,841 + 12 offenders in local facilities x \$8,902 = \$314,200). Annualized over five years, the total cost would be approximately \$1.57 M.

Local law enforcement agencies will also realize an indeterminable increase in expenditures associated with prison costs due to first offense possession convictions relating to synthetic cannabinoids, which is a misdemeanor. The cost increase will depend on the number of persons convicted, the minimum sentence an offender serves, and the cost per day for a local law enforcement agency to incarcerate an offender. **(Expenditure Explanation cont. on Page 2)**

REVENUE EXPLANATION

There is no anticipated direct material affect on state revenues as a result of this measure. However, any revenue generated through the imposition of fines as a result of conviction would accrue to local governmental entities.

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|--|----------------------------|-------|--|
| Senate | <u>Dual Referral Rules</u> | House | <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:

(Cont. Expenditure Explanation from Page 1) The penalties for conviction of manufacturing or distribution of a Schedule I classified substance which is a stimulant or hallucinogenic substance are "a term of imprisonment at hard labor for not less than five years not more than 30 years, at least five years of which shall be served without benefit of parole, probation, or suspension of sentence, and pay a fine of not more than fifty thousand dollars."

The penalties for conviction of manufacturing or distribution of a Schedule I classified substance which is a synthetic cannabinoid are "a term of imprisonment at hard labor for not less than five years not more than 30 years, and pay a fine of not more than fifty thousand dollars."

The penalties for conviction of possession of a Schedule I classified substance which is a hallucinogenic substance or stimulant are "a term of imprisonment at hard labor for not more than 10 years, and pay a fine of not more than five thousand dollars."

Defendants receiving their first conviction for possession of synthetic cannabinoids "shall be fined not more than five hundred dollars, imprisoned in the parish jail for not more than six months, or both." Defendants receiving their second conviction for possession of synthetic cannabinoids "shall be fined not less than two hundred fifty dollars, nor more than two thousand dollars, imprisoned with or without hard labor for not more than five years, or both." Defendants receiving their third and subsequent convictions for possession of synthetic cannabinoids "shall be sentenced to imprisonment with or without hard labor for not more than twenty years, and may, in addition, be sentenced to pay a fine of not more than five thousand dollars."

A state general fund savings of an indeterminable amount may occur under the provisions allowing for products labeled as dietary supplements to contain certain amounts of controlled dangerous substances, as it will no longer be a crime. To the extent persons are precluded from prosecution by these provisions, the state may realize a savings of \$51.62 per offender per day for state offenders housed in state facilities and \$24.39 per offender per day for state offenders housed in local facilities. However, relative to the potential increase in expenditures pursuant to the proposed legislation, the potential savings is nominal.

Senate

Dual Referral Rules

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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