

Department of Planning and Budget 2022 Fiscal Impact Statement

1. **Bill Number:** SB671

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Dunnavant

3. **Committee:** Education and Health

4. **Title:** Pharmaceutical processors.

5. **Summary:** Amends the definition of "cannabis oil" by removing the requirement that only oil from industrial hemp be used in the formulation of cannabis oil. The bill removes the Board of Pharmacy patient registration requirement for medical cannabis but maintains the requirement that patients obtain written certification from a health care provider for medical cannabis. The bill directs the Board to promulgate numerous regulations related to pharmaceutical processors by September 15, 2022.

6. **Budget Amendment Necessary:** See item 8.

7. **Fiscal Impact Estimates:** See item 8.

8. **Fiscal Implications:** The provisions of the bill would have a fiscal impact on the Department of Health Profession and the Board of Pharmacy. The Board of Pharmacy will have a loss of revenue from initial patient registration and renewal of registration estimated at approximately \$2.0 million annually (\$50 application fee X 40,000 estimate patient registrations). The Board is currently working to address an estimated 8,000 patient application backlog and has brought on temporary positions, part-time positions, and authorized overtime for existing staff to reduce the backlog. This loss in revenue can be somewhat offset by the elimination of these positions and overtime efforts. DHP has stated that the Board will be able to absorb the loss of revenue with existing resources and fees. It is unknown how many patients would apply for registration or renewal beyond FY 2024 when legalization goes into effect, therefore any potential loss of revenue in FY 2024 and beyond cannot be determined

Any costs to promulgate regulations can be handled within existing resources.

9. **Specific Agency or Political Subdivisions Affected:** Department of Health Professions.

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** None.