

PREPARED BY: Liz Hruska
 DATE PREPARED: February 22, 2022
 PHONE: 402-471-0053

LB 1275

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill establishes the Medicinal Cannabis Act. The Cannabis Enforcement Department is created and charged with regulation and enforcement of the Medicinal Cannabis Act. The Cannabis Enforcement Department is a division of the State Patrol. The seven-member Medicinal Cannabis Board is created. By November 1, 2023, up to five dispensaries may be registered in each Congressional District. The initial and annual registration fee is \$25,000. Each employee of a dispensary is required to undergo a criminal history check at the expense of the employee. A mandatory patient registry will be created. Only patients with the following qualifying conditions are allowed to enroll in the registry: Stage IV cancer, uncontrolled seizures, severe and persistent muscle spasms caused by multiple sclerosis or muscular dystrophy or a terminal illness with a probable life expectancy of under one year. If the agency has reasonable cause to believe a health care practitioner has violated provisions of the act a referral can be made to the Department of Health and Human Services. An assistant attorney general is to be designated to work with the Cannabis Enforcement Department. The Medicinal Cannabis Regulation Fund is created. All proceeds from the sales and use taxes pursuant to the sale of cannabis would be deposited into the fund as well as the regulatory fees.

Federal law prohibits transportation of cannabis across state lines. Since the bill does not provide for producers, dispensers would not have a source for cannabis. No dispensaries are expected to apply for registration and no enforcement activities would be needed.

A seven-member Medical Cannabis Board is established. Travel and operating costs are estimated to be \$21,000 in FY 2022 and \$14,000 in FY 2023. Since there is no revenue source, these costs would be paid from state general funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1275 AM: AGENCY/POLT. SUB: Attorney General

REVIEWED BY: Jacob Leaver DATE: 1/24/2021 PHONE: (402) 471-4173

COMMENTS: Concur with the Attorney General's estimated fiscal impact to the agency as a result of LB 1275.

Please complete ALL (5) blanks in the first three lines.

2022

LB⁽¹⁾ 1275

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Attorney General

Prepared by: ⁽³⁾ Josh Shasserre Date Prepared: ⁽⁴⁾ 1-21-22 Phone: ⁽⁵⁾ 402-471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>130,594</u>	<u> </u>	<u>132,667.</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>130,594</u>	<u> </u>	<u>132,667.</u>	<u> </u>

Explanation of Estimate:

Section 67 requires the designation of an Assistant Attorney General to the Medicinal Cannabis Board to provide legal services at the demand of the Board at the expense of the Attorney General. Therefore the Attorney General's Office would need to hire an additional Assistant Attorney General with relevant subject matter expertise.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Assistant Attorney General	<u>1.0</u>	<u>1.0</u>	<u>90,000.</u>	<u>91,800.</u>
Benefits.....	<u> </u>	<u> </u>	<u>40,594.</u>	<u>40,867.</u>
Operating.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Travel.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital outlay.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Aid.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital improvements.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL.....	<u> </u>	<u> </u>	<u>130,594.</u>	<u>132,667.</u>