

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0322-02
Bill No.: SB 27
Subject: Drugs and Controlled Substances; Law Enforcement Agencies and Officers;
Pharmacies
Type: Original
Date: January 3, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety (DPS) - Director's Office, Office of Attorney General, DPS - Missouri State Highway Patrol and Department of Health and Senior Services** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Economic Development - Division of Professional Registration (PR)** state having reviewed the proposed legislation and having sought the conclusion of the appropriate board(s), they are of the opinion this proposal, in its present form, has no fiscal impact on PR. However, should additional requirements be imposed on the Board of Pharmacy, additional expenses may be incurred by the Board of Pharmacy.

Officials from the **Office of Secretary of State (SOS)** state the proposal creates new requirements when selling pseudoephedrine products at pharmacies. This proposal will result in the Department of Health and Senior Services promulgating rules to implement the legislation. These rules will be published in the Missouri Register and the Code of State Regulations. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Health and Senior Services could require as many as 18 pages in the Code of State Regulations. For any given rule, roughly one-half again as many pages are published in the Missouri Register as are published in the Code because of cost statements, fiscal notes and notices that are not

ASSUMPTION (continued)

published in the Code. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded, and withdrawn. The SOS estimates the cost of the proposal to be \$1,107 [(18 pgs. X \$27) + (27 pgs. X \$23)] for FY 06.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal will have a direct fiscal impact on small business pharmacies by requiring additional administrative responsibilities.

DESCRIPTION

This proposal adds controlled substances in Schedule I. According to statute, a substance is placed in Schedule I if it has the high potential for abuse and has no accepted medical use in treatment or lacks safety for use in treatment under medical supervision. The substances added in this proposal are hallucinogenic or have a depressant effect on the central nervous system.

DESCRIPTION (continued)

This proposal also makes changes to the controlled substances in Schedule II. According to statute, a substance is placed in Schedule II if it has a high potential for abuse, has currently accepted medical use in treatment or currently accepted medical use with severe restrictions, and abuse of the substance may lead to severe psychic or physical dependence.

This proposal also makes changes to the controlled substances in Schedule III. According to statute, a substance is placed in Schedule III if it has a potential for abuse less than the substances in Schedule I and II, has currently accepted medical use in treatment, and abuse of the substance may lead to moderate or low physical dependence or high psychological dependence.

This proposal also makes changes to the controlled substances in Schedule IV and V. According to statute, a substance is placed in Schedule V if it has a low potential for abuse compared to Schedule IV, has currently accepted medical use in treatment, and abuse of the substance may lead to limited physical dependence or psychological dependence relative to Schedule IV substances. Substances, including any compound, mixture, or preparation containing any detectable quantity of pseudoephedrine, its salts or optical isomers, or salts of optical isomers, are added to Schedule V.

This proposal allows only a licensed pharmacist or registered technician to dispense, sell, or distribute products containing pseudoephedrine. Before purchasing these products, a person must produce a photo identification showing the person's date of birth and sign and print his or her name in a written log or receipt showing the date of purchase and the amount of the product. Pharmacies are required to immediately make the written log or receipt signed by customers available to law enforcement when requested. No one can buy more of these products than allowed by Section 195.417, RSMo.

The Department of Health and Senior Services may exempt products from Schedule V which it finds are not used in illegal manufacture of methamphetamine or other dangerous substances. A manufacturer can apply for removal from the schedule and the department may grant such removal if the product is formulated in such a way so to effectively prevent the conversion of the active ingredient into methamphetamine.

This proposal requires that products containing pseudoephedrine be offered for sale only from behind a checkout counter where the public is not permitted and be sold only by a pharmacist or registered technician.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Department of Economic Development -
 Division of Professional Registration
Department of Health and Senior Services
Department of Public Safety -
 Director's Office
 Missouri State Highway Patrol
Office of Secretary of State



Mickey Wilson, CPA
Director
January 3, 2005