

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3136-01
Bill No.: SB 764
Subject: Children and Minors; Drugs and Controlled Substances; Health Care; Health and Senior Services Department
Type: Original
Date: January 2, 2020

Bill Summary: This proposal prohibits certain types of marketing of medical marijuana products.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|-----------------------|-----------------------|-----------------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| Local Government | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |

FISCAL ANALYSIS

ASSUMPTION

§195.805 - No marketing of medical marijuana products that appeal to persons under 18 years of age

Officials from the **Department of Health and Senior Services (DHSS)** state the proposed legislation prohibits edible marijuana-infused products sold in Missouri to be designed, produced or marketed in a manner that is designed to appeal to persons under 18 years of age. It provides for enforcement actions on the part of DHSS.

DHSS expects to absorb these costs in the normal ebb and flow of its operations. However, until the FY 21 budget is final, the department cannot identify specific funding sources.

Oversight does not have any information to the contrary. Oversight assumes the DHSS has sufficient staff and resources to perform the additional work required by this proposal and will reflect no fiscal impact for the DHSS for fiscal note purposes.

Oversight notes provisions of 195.805.3 provides for departmental sanctions, including administrative penalties, for any licensed or certified entity regulated by the Department of Health and Senior Services that designs, produces, or markets medical marijuana products that would appeal to persons under eighteen years of age. Administrative penalties are distributed to school districts based on the location of the entity receiving the penalty. It is unknown whether penalties will be imposed or how much in penalties may be distributed to school districts. Therefore, Oversight will present penalties to school districts as \$0 to Unknown, for fiscal note purposes.

| <u>FISCAL IMPACT - State Government</u> | FY 2021 (10 Mo.) | FY 2022 | FY 2023 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Local Government

FY 2021
(10 Mo.)

FY 2022

FY 2023

SCHOOL DISTRICTS

Income - School Districts (§195.805)

Penalty income

\$0 to Unknown

\$0 to Unknown

\$0 to Unknown

**ESTIMATED NET EFFECT ON
SCHOOL DISTRICTS**

\$0 to Unknown

\$0 to Unknown

\$0 to Unknown

FISCAL IMPACT - Small Business

This proposal may impact small business that make or sell medical marijuana products.

FISCAL DESCRIPTION

This act prohibits the sale of edible marijuana-infused products that are designed, produced, or marketed in a manner to appeal to persons under 18 years of age, including candies, lollipops, cotton candy, or products in the shape of a human, animal, or fruit. Each increment of an edible marijuana-infused product containing 10 or more milligrams of tetrahydrocannabinols (THC) shall be stamped with a diamond containing the letters "THC" and the number of milligrams of THC in that increment. Any medical marijuana licensed or certified entity regulated by the Department of Health and Senior Services found to have violated this act shall be subject to sanctions, including an administrative penalty.


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

Department of Health and Senior Services



Julie Morff
Director
January 2, 2020



Ross Strope
Assistant Director
January 2, 2020