

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4303-01
Bill No.: HB 1896
Subject: Health, Public; Health and Senior Services Department; Highway Patrol
Type: Original
Date: January 28, 2020

Bill Summary: This proposal adds provisions relating to background checks in the medical marijuana industry.

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
Criminal Record System (0671)	\$76,560	\$43,472 to \$85,800	\$43,472 to \$85,800
Total Estimated Net Effect on <u>Other</u> State Funds	\$76,560	\$43,472 to \$85,800	\$43,472 to \$85,800

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§195.815 - Medical marijuana industry background checks

Officials from the **Department of Public Safety (DPS), Missouri State Highway Patrol (MHP)** state the Missouri Department of Health and Senior Services (DHSS) has currently approved 60 medical marijuana facilities. DHSS has the ability to conduct the state fingerprint portion of the employee background check requirement. This legislation, if enacted and approved by the Federal Bureau of Investigation (FBI) Criminal Justice Information Law Unit (CJILU), would authorize the federal fingerprint portion of the employee background check requirement. It is unknown at this time the number of employees these 60 facilities may hire, which the federal fingerprint portion of the employee background check would be conducted. In turn, it is difficult for the Criminal Justice Information System (CJIS) Division to estimate the revenue amount that may be deposited in the Criminal Record System Fund as a result of the federal fingerprint background check requirement per this legislation. Because of this, the Patrol will assume there would be at least 1 background check at each of the facilities. (60 x \$22 = \$1,320).

The state fee for a fingerprint based criminal record check is \$20.00 per request. The federal fee for a fingerprint based criminal record check is \$13.25 per request, of which, the CJIS Division retains \$2.00 of the federal fee. This equates to \$22.00 of the total state and federal fingerprint background check fee that is retained in the Criminal Record System Fund per request.

State and Federal Fingerprint Fee Schedule

State Fee = \$20.00

Federal Fee = \$13.25

Total State and Federal fee = \$33.25

Vendor Fee (if applicable) = \$8.50

Total State and Federal with Vendor fee = \$41.75

Total Retained in the Criminal Record System (CRS) Fund = \$22.00

Oversight obtained additional information from the Department of Health and Senior Services (DHSS) regarding the number of background checks that could be required as a result of this legislation. DHSS notes there are 348 medical marijuana “facilities” and assumes each facility will request background checks on 10 employees. Therefore, Oversight assumes \$76,560 (348 facilities x 10 employees x \$22/background check) will be deposited into the Criminal Record System Fund for FY 21.

ASSUMPTION (continued)

Based on DHSS' analysis, it is expected the DHSS will receive 38 to 75 background check requests per week once the industry is up and running. Therefore, for fiscal note purposes, **Oversight** will present an impact to the Criminal Records System Fund of \$43,472 (38 checks/week x 52 weeks x \$22 fee retained in CRS Fund) to \$85,800 (75 checks/week x 52 weeks x \$22 fee retained in CRS Fund) for FY 22 and FY 23.

Oversight notes the **Department of Health and Senior Services** has stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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 require additional resources.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
CRIMINAL RECORD SYSTEM FUND (0671)			
<u>Income - DPS, MHP (§195.815) - Increase in background check fees</u>	<u>\$76,560</u>	<u>\$43,472 to \$85,800</u>	<u>\$43,472 to \$85,800</u>
ESTIMATED NET EFFECT ON THE CRIMINAL RECORD SYSTEM FUND	<u>\$76,560</u>	<u>\$43,472 to \$85,800</u>	<u>\$43,472 to \$85,800</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal will negatively impact small businesses in the medical marijuana industry if they pay the background check fees for potential employees. (§195.815)

FISCAL DESCRIPTION

Under the provisions of this bill, the Department of Health and Senior Services (DHSS) shall require all employees, officers, managers, staff, and owners of marijuana facilities to submit fingerprints for criminal background checks to the State Highway Patrol. The fingerprint submissions must be a part of the medical marijuana facility application. All fingerprint cards and fees must be sent to the State Highway Patrol. The fingerprints will also be forwarded to the FBI for a federal criminal background check. (§195.815)

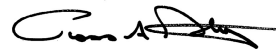
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Public Safety -
Missouri State Highway Patrol
Joint Committee on Administrative Rules
Office of Secretary of State



Julie Morff
Director
January 28, 2020



Ross Strobe
Assistant Director
January 28, 2020