

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1343S.01I  
 Bill No.: SB 90  
 Subject: Drugs and Controlled Substances; Medical Procedures and Personnel; Mental Health; Physicians; Hospitals; Veterans; Higher Education; Health Care; Department of Mental Health  
 Type: Original  
 Date: February 4, 2025

Bill Summary: This proposal modifies provisions relating to alternative therapies and treatments, including psilocybin.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General*	\$0 to (\$3,000,000)	(\$7,000,000 to \$10,000,000)	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to (\$3,000,000)</b>	<b>(\$7,000,000 to \$10,000,000)</b>	<b>\$0</b>

\*Costs for DMH to provide grants for \$3,000,000, subject to appropriation, for research on the use and efficacy of psilocybin and costs for DMH to conduct a three to five year study.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government – School Districts *	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Local Government – School Districts</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

\* Due to the conditions required for exemption from civil fines, penalties, or sanctions, **Oversight** assumes an Unknown negative fiscal impact of less than \$250,000 annually.

## FISCAL ANALYSIS

### ASSUMPTION

#### §§ 191.479, 191.480 and 630.1170 - Alternative therapies and treatments, including psilocybin

Officials from the **Department of Mental Health (DMH)** state the proposed legislation modifies provisions relating to alternative therapies and treatments. Section 630.1170 states, "...the Department of Mental Health, in collaboration with a hospital operated by an institute of higher learning or contract research organizations conducting trials approved by the United States Food and Drug Administration, shall conduct a study on the efficacy of using alternative medicine and therapies." These therapies shall be studied on individuals who suffer from posttraumatic stress disorder, major depressive disorder, substance abuse disorders, or patients who require end-of-life care. Subject to appropriations, DMH shall prepare and submit reports on any information collected by DMH on implementation and outcomes of the use of psilocybin.

DMH would contract this service out to be conducted in collaboration with a hospital operated by an institute of higher education in Missouri. The cost for this study would include treatment costs, therapists, researcher time, indirect rate for the institution of higher education, storage and tracking of medications, and other study related costs. Costs for DMH to conduct a three to five year study for would be \$0 for FY26, \$7 million to \$10 million for FY27, and \$0 for FY28 in General Revenue funding.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DMH.

**Oversight** notes the provisions of §191.479.5 allow DMH to provide grants for \$3,000,000, subject to appropriation, for research on the use and efficacy of psilocybin. For fiscal note purposes, Oversight assumes costs of \$0 to (\$3,000,000) to general revenue for the research grants. **Oversight** notes that the proposal specifies a total of \$3,000,000 for grants.

In response to similar legislation from the 2024 session, (SCS for SB 768), officials from the **Office of Administration, Budget and Planning (B&P)** stated § 191.479 provides that certain individuals who acquire, use, produce, possess, transfer, or administer psilocybin shall not be subject to civil fines, penalties, or sanctions if certain conditions are met. To the extent that this provision will reduce the number of fines or penalties collected due to the acquisition, use, production, transfer, or administration of psilocybin, total state revenue may decrease by an unknown amount.

**Oversight** notes that §191.479 could result in certain individuals not being fined or penalized. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties collected by counties are distributed to school districts. Fines vary widely from year to year and

are distributed to the school district where the violation occurred. Oversight will reflect a negative fiscal impact of \$0 to Unknown to local school districts. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

Officials from the **Department of Public Safety (DPS), Missouri Veterans Commission (MVC)** state that their care plans and records are inspected by the U.S. Department of Veterans Affairs annually and upon request. While there may not be a fiscal impact, there is a conflict. MVC officials do not believe MVC would be able to house a Veteran taking part in these studies.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Officials from the **University of Missouri Health Care (MUHC)** have reviewed the proposed legislation and determined that as written it should not create expenses in excess of \$100,000 annually.

**Oversight** assumes the costs incurred by the MUHC related to this proposal can be absorbed within current resource levels.

Officials from the **Department of Commerce and Insurance, the Department of Health and Senior Services, the Office of the State Courts Administrator, Northwest Missouri State University** and the **University of Central Missouri**, each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other hospitals and college were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND</b>			
<u>Costs</u> – DMH (§ 191.479.5) grants for research on use/efficacy of psilocybin p. 3	\$0 to (\$3,000,000)	\$0	\$0
<u>Costs</u> – DMH (§ 630.1170) – Study on the efficacy of using alternative medicine p. 3	\$0	(\$7,000,000 to \$10,000,000)	\$0
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>\$0 to (\$3,000,000)</u></b>	<b><u>(\$7,000,000 to \$10,000,000)</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>LOCAL GOVERNMENT – SCHOOL DISTRICTS</b>			
<u>Losses</u> – School Districts (§ 191.479) Reduction of fines or penalties collected p. 3	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENT – SCHOOL DISTRICTS</b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Under this act, any person who acquires, uses, produces, possesses, transfers, or administers psilocybin for the person's own therapeutic use shall not be subject to state or local criminal or civil penalties if the person: (1) is a Missouri veteran, (2) is 21 years of age or older, (3) suffers from a condition listed in the act, (4) has enrolled in a study regarding the use of psilocybin to

treat such conditions, (5) informs the Department of Mental Health that such person plans to acquire, use, produce, possess, transfer, or administer psilocybin under this act, (6) provides the Department with specified documentation and information, (7) ensures the psilocybin is tested in a licensed laboratory, and (8) limits the use of psilocybin to no more than 150 milligrams of psilocybin analyte during any 12-month period. A person who assists another in any of the acts permitted under this act and any laboratory testing psilocybin under this act shall not be subject to state or local criminal or civil penalties.

Subject to appropriation, the Department shall provide grants totaling \$3 million dollars for research on the use and efficacy of psilocybin for the treatment of conditions listed in the act. (§ 191.479)

The Department shall prepare annual reports for the Governor, Lieutenant Governor, and the General Assembly on the implementation and outcomes of psilocybin use under this act.

Finally, this act requires the Department, in collaboration with a Missouri university hospital or contract research organizations conducting FDA-approved trials, to conduct a study on the efficacy of using alternative medicine and therapies, including, but not limited to, the use of psilocybin, for the treatment of patients suffering post-traumatic stress disorder, major depressive disorder, substance use disorders, or who require end-of-life care, as described in the act. Such study shall include a study of the use of psilocybin to treat such conditions, as well as a literature review and the submission of various reports. No person participating in the study shall be subject to criminal or civil liability or sanction for participating, except in cases of gross negligence or willful misconduct. (§ 630.1170)

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

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SOURCES OF INFORMATION

Department of Commerce and Insurance

Department of Health and Senior Services

Department of Mental Health

Department of Public Safety - Missouri Veterans Commission

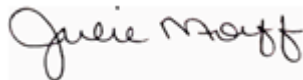
Office of Administration - Budget and Planning

Office of the State Courts Administrator

Northwest Missouri State University

University of Missouri Health Care

University of Central Missouri



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