

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5195S.01I  
Bill No.: SB 993  
Subject: Drugs and Controlled Substances; Food; Department of Health and Senior Services; Department of Public Safety  
Type: Original  
Date: February 2, 2026

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Bill Summary: This proposal creates provisions relating to hemp businesses.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	\$3,946,550	\$5,307,519	\$5,305,327
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$3,946,550</b>	<b>\$5,307,519</b>	<b>\$5,305,327</b>

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Hemp-Derived Products Fund	(\$3,425,590)	(\$2,012,596)	(\$2,100,327)
School District Trust Fund (1688)	\$39,564	\$52,752	\$52,752
Conservation Commission Fund (1609)	\$4,946	\$6,594	\$6,594
Parks and Soils State Sales Tax Fund(s) (1613 & 1614)	\$3,956	\$5,275	\$5,275
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(\$3,377,124)</b>	<b>(\$1,947,975)</b>	<b>(\$2,035,706)</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on All Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	1 FTE	1 FTE	1 FTE
Hemp-Derived Products Fund	33 FTE	33 FTE	33 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>34 FTE</b>	<b>34 FTE</b>	<b>34 FTE</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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>Could exceed \$185,951</b>	<b>Could exceed \$247,934</b>	<b>Could exceed \$247,934</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Attorney General's Office**, **Missouri Office of Prosecution Services** and **Office of the State Courts Administrator** did not respond to **Oversight**'s request for fiscal impact for this proposal.

#### **§312.1005 – Hemp Business Licensing Rules**

Officials from the **Department of Health and Senior Services (DHSS)** state Section 312.1005.6 of the proposed legislation would require the Department of Public Safety (DPS), Division of Alcohol and Tobacco Control (ATC) to ensure that no person, cooperative, or business is issued a hemp business license if they hold a marijuana facility license or medical facility license as defined in Article XIV. Department of Health and Senior Services (DHSS), Division of Cannabis Regulation (DCR) assumes that this will have a minor impact on DHSS-DCR that could be absorbed by the current workforce.

**Oversight** assumes DHSS is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes DHSS could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DHSS could request funding through the appropriation process. Officials from the DHSS assume this section will have no fiscal impact on their organization.

#### **312.1010 - Hemp-Derived Products Fund**

Officials from the **Department of Public Safety (DPS), Division of Alcohol and Tobacco Control (ATC)** state it is estimated that \$2,913,000 will be collected from hemp beverage license fees annually as required by section 312.1010 (see calculations below). These fees will be deposited into the hemp-derived products fund.

Officials from the ATC state new subdivision 312.1010.3(3) provides for a license fee of \$1,000 for manufacturers, \$500 for distributors, and \$250 for retailers not to exceed \$5,000 for an entity with multiple retail locations (maximum of 20 locations pay license fee).

This subdivision does not clearly state but implies that manufacturer and wholesaler hemp beverage licenses are not location specific, meaning one license for multiple locations. There are 380 alcohol manufacturers in Missouri, which ATC estimates will be half the number of hemp beverage manufacturers. It is estimated that there will be 190 new hemp beverage manufacturer locations ( $380 * 0.5$ ). Around 10% of alcohol manufacturers hold multiple licenses for multiple locations, and hemp beverage manufacturers will not be required to hold separate licenses, so the total license count for manufacturers is estimated at 171 ( $190 * 0.9$ ) for a total collection of \$171,000 ( $171 * \$1,000$ ).

There are 271 alcohol distributors in Missouri, which ATC estimates will be half the number of hemp beverage distributors. It is estimated that there will be 136 new hemp beverage distributor locations ( $271 * 0.5$ ). Around 12% of alcohol distributors hold multiple licenses for multiple locations, and hemp beverage distributors will not be required to hold separate licenses, so the total license count for distributors is estimated at 120 ( $136 * 0.88$ ) for a total collection of \$60,000 ( $120 * \$500$ ).

There are 14,023 alcohol retailers licensed in Missouri, which ATC estimates will be 90% the number of hemp beverage retailers. It is estimated that there will be 12,621 new hemp beverage retailer locations ( $14,023 * 0.9$ ). This section provides that a retailer with multiple locations cannot be charged for more than 20 licenses. This will drastically impact collections for retail licensing. One example would be Casey's General Stores which holds 360 individual alcohol retailer licenses. If Casey's is a licensed hemp product retailer, they will only have to pay for 20 of their 360 licenses, meaning 340 would be processed at no cost, with a net loss of \$85,000 in licensing fees (340 no-cost licenses \* \$250 uncharged fee = \$85,000 net loss for one retailer).

There are 37 alcohol retailers with more than 20 locations, ranging from 21 to 557 locations (five with 120 + locations), and ATC believes it will be the case with hemp beverage retailers, which ATC estimates could reduce the license count on which fees can be collected by 15%. ATC estimates that there will be 10,728 new hemp beverage retailer licenses ( $12,621 * 0.85$ ) that will pay a license fee for a total collection of \$2,682,000 ( $10,728 * \$250$ ), and an estimated 1,893 licenses that will be processed and issued with no fee. This will be very challenging for the division to manage what retail licenses get charged a fee and when to stop charging a fee. The total estimated collections for new manufacturer, distributor, and retailer hemp beverage licenses are \$2,913,000 ( $\$171,000 + \$60,000 + \$2,682,000$ ).

\$171,000 from hemp-derived consumable product manufacturer licenses  
\$60,000 from hemp-derived consumable product distributor licenses  
+ \$2,682,000 from hemp-derived consumable product retail licenses  
**\$2,913,000 total estimated collections from additional licensing**

New subsection 312.1010.4 provides that all licenses shall be renewed annually, but it does not specify what the renewal fee shall be, so the license fees, including the cap on retail license fees is expected, totaling \$2,913,000. A clarification in the language that the hemp beverage license fee also applies to license renewals would be helpful.

New subsection 312.1010.7 provides disciplinary action against any hemp business who violates any provisions in sections 312.1000 to 312.1040 to include a warning, probation for up to 12 months, fine not to exceed \$5,000 per violation, suspension for up to 12 months, or revocation. It is unknown how many businesses will violate the provisions of these sections, and thus unknown how many violations will result in a fine. Additional staff will be needed for the enforcement of sections 312.1000 to 312.1040, and the disciplinary actions as a result of violations.

Following is the specific breakdown of the additional staff that will be needed for a total cost of \$2,222,100:

Special Agent – 17 – Total salary is \$1,105,000 ( $\$65,000 * 17$ ) - Special Agents will be the key contact person for licensees to contact with questions and application problems. Agents will review all license applications, investigate violations, and enforce all statutes and regulations as authorized by this bill. This would equate to approximately 743 licensees per agent. Four agents will be located in the Jefferson City central office and the Kansas City and Springfield district offices, and five in the St. Louis district office.

District Supervisor – 4 – Total salary is \$312,000 ( $\$78,000 * 4$ ) - The District Supervisor will supervise the licensing and enforcement in their territory. There will be 1 located in each of the district offices; St. Louis, Kansas City, Springfield, and the Jefferson City central office.

Administrative Support Assistant – 4 – Total salary is \$213,600 ( $\$53,400 * 4$ ) - The Administrative Support Assistants will be assisting in the large amount of clerical work related to the implementation and ongoing licensing of hemp beverage businesses, to include processing licenses, data entry, tracking statistics, and facilitating the composition of reports, and administrative responsibilities related to disciplinary action processes. There will be 1 located in each of the district offices; St. Louis, Kansas City, Springfield, and the Jefferson City central office.

Administrative Support Professional – 2 – Total salary is \$120,000 ( $\$60,000 * 2$ ) – One Administrative Support Professional will handle all financials and purchasing for the hemp beverage program. One Administrative Support Professional will be working with the administrative disciplinary section to schedule and manage all disciplinary conferences and actions. Both Administrative Support Professionals will be located in the Jefferson City central office.

Human Resources Generalist – 1 – Salary is \$56,500 – The Human Resources Generalist will be responsible for all onboarding and HR functions, processing payroll, and review and approval of financials.

Licensing and Compliance Supervisor – 1 – Salary is \$72,000 - The Licensing and Compliance Supervisor will assist in the review and approval of license applications and manage reporting. They will be located in the Jefferson City central office.

Hemp Beverage Program Coordinator – 1 – Salary is \$81,000 – The Hemp Beverage Program Coordinator will supervise the licensing and enforcement of the hemp beverage program. They will be located in the Jefferson City central office.

Chief of Enforcement – 1 – Salary is \$88,000 – The Chief of Enforcement will oversee the enforcement and disciplinary activities of the hemp beverage program. They will be located in the Jefferson City central office.

Administrative and Fiscal Manager – 1 – Salary is \$84,000 – The Administrative and Fiscal Manager will be responsible for all budgetary, fiscal, administrative, and legislative aspects of the hemp beverage program. They will be located in the Jefferson City central office.

Legal Counsel – 1 – Salary is \$90,000 - The Legal Counsel will be responsible for interpreting the statutes and assisting with the promulgation of rules to regulate the hemp beverage program, as well as ongoing legal counsel regarding the administrative disciplinary process. They will be located in the Jefferson City central office.

Equipment and Expense – Total equipment and expense is \$3,291,625 for the first year with \$2,305,596 being one-time costs - Includes basic office equipment and law enforcement equipment, which includes firearms, ammunition, ballistic vest, vehicles, travel expenses, etc. See below:

Equipment:

Computer Equipment – \$52,041

Motorized Equipment – \$1,355,827

Office Equipment – \$298,378

Other Equipment – \$234,350

Expense:

Travel – \$57,500

Supplies – \$130,097

Professional Development – \$22,000

Communication Services and Supply – \$118,815

Professional Services – \$215,000

Maintenance & Repair – \$460,616

Miscellaneous – \$4,125

Leasing Expense - \$192,876

Capital Improvement Expense - \$150,000

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

Officials from the **Office of Administration - Budget and Planning (B&P)** state this section contains new fees for hemp business licenses. Fees are to be deposited into the newly created “Hemp-Derived Products Fund”. The fund is to be a dedicated fund used by ATC to administer this program.

Officials from the B&P assume this section will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

#### §312.1015 – Hemp Manufacturing

Officials from **DHSS** state section 312.1015.3 requires that all hemp beverage manufacturers comply with all packaging, labeling and testing requirements established by DHSS-DCR, however the proposed legislation also imposes several additional packaging and labeling requirements that are not entirely consistent with 19 CSR 100-1.120, DHSS-DCR's packaging and labeling rules for medical or marijuana facility licensees. As the proposed legislation does not grant DHSS-DCR any new rule-making authority, DHSS-DCR assumes that this will have a minor impact that could be absorbed by the current workforce.

Section 312.1015.4 requires that all hemp beverage products shall be registered by the hemp beverage manufacturer with DHSS prior to sale. DHSS-DCR assumes, due to DPS-ATC being assigned enforcement authority over all hemp business licensees, that the need for an increase in staffing to support the registration of hemp beverage products is minimal.

DHSS-DCR estimates the need for one (1) Regulatory Auditor to process the hemp beverage product registrations and to coordinate as needed with DPS-ATC. If the proposed legislation becomes effective on August 28, 2026, DHSS-DCR expects the need to fill the Regulatory Auditor position on August 1, 2026, to provide time for developing processes and training.

The proposed legislation allocates no new funds to DHSS-DCR to cover the fiscal impact and 312.1010.8(1) specifies that the newly created “Hemp-Derived Products Fund” is solely to be used by DPS-ATC. As DHSS-DCR's existing revenue is allocated specifically by Article XIV, DHSS-DCR assumes that the cost for the fiscal impact imposed by the proposed legislation would be drawn from general revenue.

DHSS-DCR notes the expected market demand for hemp products is unknown under this proposed legislation and therefore is unable to estimate the amount of sales nor the state retail sales tax revenue to be collected from those sales.

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

Officials from the **B&P** state section 312.1015 contains new fines for violating the provisions within this bill. Article IX, Section 7 of the Missouri Constitution requires that penalties, forfeitures, and fines collected for violations of state law be distributed to the schools. To the extent any additional such revenues are deposited into the state treasury, TSR may increase.

**Oversight** notes that section 312.1010 states violations of sections 312.1000 to 312.1040 could result in fines or penalties. 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 positive 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.

#### §312.1025 – Hemp Sale Guidelines and Age Limits

Officials from the **ATC** state new subsection 312.1025.6 allows the division to conduct random unannounced inspections to enforce compliance with sections 312.1000 to 312.1040. This subsection also requires the division to submit an annual report on the division's enforcement efforts to the general assembly and make it publicly available.

ATC is currently building an online licensing system for liquor licensing with an outside vendor. ATC's response to this bill anticipates that ATC will be able to incorporate the licensing into the same system, which is not supported by ITSD. It is estimated that this addition will cost approximately \$200,000.

ATC has several licensing reports available on the ATC website from data.mo.gov that allows cities and counties to see who has an active liquor license, and also helps licensees know that they are transacting with active licensees. ATC anticipates the need to have similar reports available for hemp beverage licenses. The division would work with the licensing vendor to create these reports but would also need ITSD to integrate these reports into data.mo.gov and make them available on the ATC website. ATC estimates that building these reports could be as much as \$15,000.

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

Officials from the **Office of the State Public Defender (SPD)** state, per the National Public Defense Workload Study, the new charge contemplated by Section 312.1025, would take approximately fourteen hours of SPD work for reasonably effective representation. If one hundred cases were filed under this section in a fiscal year, representation would result in a need for an additional attorney. Because the number of cases that will be filed under this statute is unknown, the exact additional number of attorneys necessary is unknown. Each case would also result in unknown increased costs in the need for core staff, travel, and litigation expenses. However, if the charge was classified as a class D misdemeanor no jail time would be authorized and the cases would not qualify for SPD representation.

**Oversight** assumes this proposal will create a minimal number of new cases and that the SPD can absorb the additional caseload required by this proposal with current staff and resources. Therefore, Oversight will reflect no fiscal impact to the SPD for fiscal note purposes. However,

if multiple bills pass which require additional staffing and duties, the SPD may request funding through the appropriation process.

#### §312.1040 - 7% Excise Tax to Hemp-Beverage Products

Officials from the **B&P** state section 312.1040 would apply a 7% excise tax to hemp-beverage products. B&P notes that this proposal does not specify where the excise tax revenues should be deposited. While section 312.1010 did create a new fund, only the business fees levied under section 312.1010 are to be deposited into that fund. Therefore, B&P assumes that the excise tax collections under this section will go to general revenue.

Based on market research, the Missouri market for hemp beverage products was approximately \$75,360,000 in 2025. Therefore, a 7% excise tax could generate revenues of \$5,275,200.

While these products are already subject to state and local sales tax, excise taxes are included in the final sales taxable price of these products. Therefore, an increase in excise taxes would result in an increase in state and local sales taxes. Using the estimated excise tax collections above, B&P estimates that this proposal could also result in an increase state sales taxes of \$222,877 as well as local sales tax funds of \$247,934 annually.

Therefore, B&P estimates that this proposal could increase state revenues by \$5,498,077 and local revenues by \$247,934 annually.

Table 1: Estimated Revenue Impact - Hemp-derived Cannabinoids

<u>State Funds</u>	FY 2027	FY 2028+
GR Excise Tax	\$3,956,400	\$5,275,200
GR Sales Tax	\$118,692	\$158,256
Education (SDTF) - sales tax	\$39,564	\$52,752
Conservation - sales tax	\$4,946	\$6,594
DNR - sales tax	\$3,956	\$5,275
<b>Total State Revenues</b>	<b>\$4,123,558</b>	<b>\$5,498,077</b>

Table 1 Continued: Estimated Revenue Impact - Hemp-derived Cannabinoids

<u>Local Funds</u>	FY 2027	FY 2028+
Local Sales Tax Funds	\$185,951	\$247,934

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

Officials from the **ATC** state new section 312.1040 establishes a 7% excise tax on the retail sale of hemp-derived consumable beverage products. DOR noted in their response to HB 696 (2025) that Missouri makes up 2.05% of the total U.S. market share of all hemp-derived cannabinoids. In 2023, that was \$56,832,841 of the \$2,774,925,672 in U.S. sales. The division will use this

amount to estimate the excise tax collections, which is estimated at \$3,978,298.87 (\$56,832,841 \* 7%). It is unknown how much of these collections would be for hemp beverage products versus all other hemp products. Assuming that 30% of sales could be for hemp beverages, the total collection under this section is estimated at \$1,193,489.66 (\$3,978,298.87 \* 30%).

Officials from the **Department of Revenue (DOR)** state this proposal attempts to regulate the hemp beverage industry. This proposal defines a hemp beverage as a product that is intended for human consumption and contains or consists of hemp plant parts.

This proposal establishes rules for the licensing and selling of these hemp beverages. The regulation is to be done by the DHSS and the DPS/ATC.

The Missouri Constitution says that all hemp that is not “industrial hemp” is considered marijuana for the purposes of regulation and taxation under Article XIV. Since this proposal clearly defines these hemp beverages as being a compound found in hemp, they would already be subject to the regulations and taxation of Article XIV. Since this proposal also says that these products are not made from industrial hemp, which is exempt under Article XIV, then these products would **already** owe the marijuana licensing fees and should be collecting the marijuana excise tax and sales tax since December 8, 2022, when Article XIV was adopted.

However, this proposal adds language stating that these products will not be considered marijuana, and this proposal further creates new regulations for these products.

DOR notes this proposal assesses an excise tax at a rate of 7% on the sale of hemp beverage products. The General Assembly has indicated that these products are being sold in numerous retail locations. Currently, when sold at a retail location, the products are subject to the state 4.225% sales tax as well as a local sales tax (4.7% average used for fiscal note purposes). DOR notes that regardless of where the product is sold, the sales tax is owed. DOR notes that sales tax however, is applied to the final purchase price of an item which includes all other taxes and therefore, DOR expects additional sales tax revenue once it is applied to the excise tax as well.

DOR notes that this proposal does not state where the excise tax is to be deposited. For fiscal note purposes, DOR will assume general revenue. Businesses are not required to report what they sell only the amount of product sold. Therefore, DOR does not maintain records of the amount of these products sold. DOR assumes this will increase revenue to general revenue and the state and local sales tax funds.

DOR defers to the DHSS for the fiscal impact on the state and local funds.

**Oversight** does not have information to the contrary. Oversight notes [The U.S. THC Beverage Report](#), a study by Beau Whitney, contains information regarding the market for hemp beverage products by state. The study shows the Missouri market for sales was \$75,360,000 in 2025. Therefore, Oversight will reflect the estimates as provided by the B&P for the estimate of tax to be collected.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Corrections (DOC)** state, as misdemeanors fall outside the purview of the Department of Corrections, this legislation will have no impact on the department.

Officials from the **Department of Elementary and Secondary Education, Department of Labor and Industrial Relations, Department of Mental Health, Department of Natural Resources, Department of Public Safety (Office of the Director, Missouri Highway Patrol), Department of Social Services, Missouri Department of Agriculture, Missouri Department of Transportation (MoDOT), MoDOT & Patrol Employees' Retirement System, Office of Administration (OA), OA - Administrative Hearing Commission, Office of the State Treasurer, State Tax Commission, City of Kansas City, Newton County Health Department, Phelps County Sheriff's Department, Kansas City Police Department, St. Louis County Police Department, County Employees Retirement Fund, Kansas City Civilian Police Employees' Retirement, Branson Police Department, Kansas City Police Retirement System, Kansas City Public School Retirement System, Metro St. Louis Sewer District Employees Pension Plan, Public Education Employees' Retirement System, Sheriff's Retirement System, Northwest Missouri State University and 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 that we have received from state agencies and political subdivisions; however, other cities, counties, local health departments, sheriffs, police, EMS, retirement, schools, hospitals and colleges were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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 its 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE</b>			
<u>Cost – DHSS/DCR (\$312.1015) p.7</u>			
Personal service	(\$61,686)	(\$68,640)	(\$70,013)
Fringe benefits	(\$39,785)	(\$43,943)	(\$44,495)
Equipment and expense	(\$27,071)	(\$13,354)	(\$13,621)
<u>Total Costs - DHSS/DCR</u>	<u>(\$128,542)</u>	<u>(\$125,937)</u>	<u>(\$128,129)</u>
FTE Change - DHSS/DCR	1 FTE	1 FTE	1 FTE
<u>Revenue Gain – (\$312.1040) 7% Excise tax levy p.9</u>	<u>\$3,956,400</u>	<u>\$5,275,200</u>	<u>\$5,275,200</u>
<u>Revenue Gain – (\$312.1040) Sales tax p.9</u>	<u>\$118,692</u>	<u>\$158,256</u>	<u>\$158,256</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$3,946,550</u></b>	<b><u>\$5,307,519</u></b>	<b><u>\$5,305,327</u></b>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
<b>HEMP-DERIVED PRODUCTS FUND</b>			
<u>Revenue Gain – DPS/ATC (\$312.1010) Licensing fees p.3-4</u>	<u>\$2,913,000</u>	<u>\$2,913,000</u>	<u>\$2,913,000</u>
<u>Cost – DPS/ATC (\$312.1010) p.5-6</u>			
Personal service	(\$1,852,583)	(\$2,267,562)	(\$2,312,913)
Fringe benefits	(\$1,194,349)	(\$1,451,101)	(\$1,469,342)
Equipment and expense	(\$1,570,831)	(\$1,206,933)	(\$1,231,072)
<u>Total Costs - DPS/ATC</u>	<u>(\$4,617,763)</u>	<u>(\$4,925,596)</u>	<u>(\$5,013,327)</u>
FTE Change - DPS/ATC	33 FTE	33 FTE	33 FTE

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<u>Cost</u> – DPS/ATC (§312.1010) Motorized equipment p.6	(\$1,355,827)	\$0	\$0
<u>Cost</u> – DPS/ATC (§312.1010) Capital improvement p.6	(\$150,000)	\$0	\$0
<u>Cost</u> – DPS/ATC (§312.1025) Licensing and brand registration software p.8	(\$200,000)	\$0	\$0
<u>Cost</u> – OA, ITSD/ATC (§312.1025) To add reports to the ATC website p.8	(\$15,000)	\$0	\$0
<b>ESTIMATED NET EFFECT ON HEMP-DERIVED PRODUCTS FUND</b>	<b><u>(\$3,425,590)</u></b>	<b><u>(\$2,012,596)</u></b>	<b><u>(\$2,100,327)</u></b>
Estimated net FTE Change on Hemp-Derived Products Fund	33 FTE	33 FTE	33 FTE
<b>SCHOOL DISTRICT TRUST FUND (1688)</b>			
<u>Revenue Gain</u> – (§312.1040) Hemp sales tax p.9	<u>\$39,564</u>	<u>\$52,752</u>	<u>\$52,752</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND</b>	<b><u>\$39,564</u></b>	<b><u>\$52,752</u></b>	<b><u>\$52,752</u></b>
<b>CONSERVATION COMMISSION FUND (1609)</b>			
<u>Revenue Gain</u> – (§312.1040) Hemp sales tax p.9	<u>\$4,946</u>	<u>\$6,594</u>	<u>\$6,594</u>
<b>ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND</b>	<b><u>\$4,946</u></b>	<b><u>\$6,594</u></b>	<b><u>\$6,594</u></b>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>PARKS AND SOILS STATE SALES TAX FUNDS (1613 &amp; 1614)</b>			
<u>Revenue Gain</u> – (§312.1040) Hemp sales tax p.9	<u>\$3,956</u>	<u>\$5,275</u>	<u>\$5,275</u>
<b>ESTIMATED NET EFFECT ON PARKS AND SOILS STATE SALES TAX FUNDS</b>	<u><b>\$3,956</b></u>	<u><b>\$5,275</b></u>	<u><b>\$5,275</b></u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Revenue Gain</u> – Schools Districts (§312.1000 to 312.1040) – Fines p.7-8	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Revenue Gain</u> – (§312.1040) Local sales tax p.9	<u>\$185,951</u>	<u>\$247,934</u>	<u>\$247,934</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>Could exceed <u>\$185,951</u></b>	<b>Could exceed <u>\$247,934</u></b>	<b>Could exceed <u>\$247,934</u></b>

#### FISCAL IMPACT – Small Business

Officials from the **DHSS** state this regulation would allow existing or new small hemp businesses to enter the regulatory space. These small businesses would then be subject to the regulatory requirements and associated fines or fees.

Officials from the **DPS/ATC** state small businesses that are currently manufacturing, distributing, or selling hemp beverages without a license would be required under these sections to obtain a hemp beverage license as well as a liquor license to continue operations. It is unknown how many businesses will be impacted, but the largest potential single-location impact would be for manufacturers with an on-premise hemp beverage retail license who would have to pay \$1,250 annual hemp beverage license fees in addition to the liquor license fee(s).

Officials from the **B&P** state bill as a whole contains new regulations for hemp products. To the extent small businesses engage in the sale or distribution of these products, they may be economically impacted.

### FISCAL DESCRIPTION

SB 993 - This act creates licenses for hemp beverage manufacturers, hemp beverage wholesalers, and hemp beverage retailers. No person, cooperative, or business holding any one of the three types of hemp beverage licenses can hold either of the other two types of hemp beverage licenses and shall not have a financial interest, either direct or indirect, in a person, cooperative or business holding any of the other two types of hemp beverage licenses. However, a person, cooperative, or business may hold both a hemp beverage manufacturer and hemp beverage retailer license, but may only operate hemp beverage retail operations onsite at the premises where the hemp beverage product is manufactured.

Hemp beverage manufacturers may solicit and sell hemp beverage products to hemp beverage wholesalers, but shall not sell directly to a hemp beverage retailer. Hemp beverage wholesalers can solicit and sell hemp beverage products to hemp beverage retailers. A person, cooperative, or business holding a hemp beverage manufacturer license, hemp beverage wholesaler license, or a hemp beverage retailer license, or any combination of the three, shall not hold a marijuana facility license.

No hemp beverage wholesaler or hemp beverage retailer shall distribute or sell any hemp beverage products that they know or reasonably should know were manufactured outside of the United States. Unfinished hemp extract may be imported or exported as described in the act. The act specifies the qualifications to receive a license, fees for licensure, and the application process, as well as the health, safety, permissible ingredients, testing, and transportation standards. The act also outlines the packaging and labeling requirements for hemp beverages. Any hemp beverage manufacturer or wholesaler who violates such health and safety standards, or permits its employees, officers, or agents to do so, will be guilty of a misdemeanor, and upon conviction will be subject to specified fines.

This act prohibits the sale of hemp beverages to anyone under the age of 21. Anyone who sells hemp beverages shall also be 21 years old. A manufacturer, wholesaler, or retailer of a hemp beverage product shall not advertise, market, or offer for sale the product by using, in the labeling or design of the product or product packaging or in advertising or marketing materials for the product trade dress, trademarks, branding, or other related materials, any imagery or scenery that depicts or signifies characters or symbols known to appeal primarily to persons under 21 years of age.

Under this act, retailers and wholesalers shall have 120 days, beginning August 28, 2026, to sell any hemp beverage products in inventory as of August 28, 2026, provided such products comply with the provisions of this act. Any remaining products not removed from inventory shall be subject to forfeiture and destruction, as described in the act.

Under this act, an excise tax at a rate of 7% shall be imposed on the retail sale of a hemp beverage product.

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

### SOURCES OF INFORMATION

Budget and Planning

Department of Corrections

Department of Elementary and Secondary Education

Department of Health and Senior Services

Department of Labor and Industrial Relations

Department of Mental Health

Department of Natural Resources

Department of Public Safety

    Division of Alcohol and Tobacco Control

    Office of the Director

    Missouri Highway Patrol

Department of Revenue

Department of Social Services

Joint Committee on Administrative Rules

Missouri Department of Agriculture

Missouri Department of Transportation

MoDOT & Patrol Employees' Retirement System

Office of Administration - Administrative Hearing Commission

Office of the Secretary of State

Office of the State Public Defender

Office of the State Treasurer

State Tax Commission

City of Kansas City

Newton County Health Department

Phelps County Sheriff's Department

Branson Police Department

Kansas City Police Department

St. Louis County Police Department

County Employees Retirement Fund

Kansas City Civilian Police Employees' Retirement

Kansas City Police Retirement System

Kansas City Public School Retirement System

Metro St. Louis Sewer District Employees Pension Plan

Public Education Employees' Retirement System

Sheriff's Retirement System

L.R. No. 5195S.01I

Bill No. SB 993

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February 2, 2026

Northwest Missouri State University  
University of Central Missouri

Julie Morff  
Director

A handwritten signature in black ink, appearing to read "Jessica Harris".

Jessica Harris  
Assistant Director  
February 2, 2026