



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2477

PRINTERS NO. 3804

PRIME SPONSOR: Watson

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund	\$0	See Fiscal Impact

SUMMARY: House Bill 2477, Printer's Number 3804, amends Chapter 20 of the Medical Marijuana Act to clarify the clinical research component in the Act. This legislation is effective immediately.

ANALYSIS: This legislation amends and renames Chapter 20 (Academic Clinical Research Centers and Clinical Registrants) of the Act in order to clarify the following:

- The permits the Department of Health (DOH) issues under Chapter 20 are separate and apart from the permits issued under Chapter 6 (Medical Marijuana Organizations) of the Act. Initially, DOH is authorized to issue 25 grower/processor permits and 50 dispensary permits under Chapter 6.
- The academic clinical research center (ACRC) must be certified and approved by DOH before it enters into a contract with a clinical registrant (CR).
- The CR must comply with all of the provisions regarding growing, processing, and dispensing medical marijuana. This includes dispensing medical marijuana to patients who choose not to participate in a research study. It also includes selling medical marijuana to any dispensary or grower/processor that chooses to buy the medical marijuana from the CR.
- The provision which allows a CR to directly dispense medical marijuana to an ACRC becomes effective when the federal government no longer classifies marijuana as a Schedule I drug.

In addition, an entity seeking approval as a CR that already holds a permit as a grower/processor or a dispensary permit will not be required to submit another application for a grower/processor or dispensary permit.

Finally, a grower processor facility owned by a CR may only sell medical marijuana products to non-CR dispensary facilities with the approval of DOH. Applications to sell medical marijuana products must include a report of the CR's research findings. DOH shall approve the application upon a showing that the products have a practical effect on patients which changes a recommendation within the medical field as indicated in the report submitted by the CR.

FISCAL IMPACT: There would be a reduction of \$10,000 in revenue deposited into the Medical Marijuana Program Fund for every entity that already holds a permit as a grower/processor and \$5,000 for every dispensary that does not have to submit an application to be a CR. It is not possible to predict how many grower/processors or dispensaries would seek to become a CR, therefore, the reduction of revenue into the Medical Marijuana Program Fund cannot be calculated.

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House Appropriations Committee (R)

DATE: June 19, 2018

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.