



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 2480

PRINTERS NO. 4171

PRIME SPONSOR: Quinn

### COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
General Fund	\$0	\$0

**SUMMARY:** Amends the Controlled Substance, Drug, Device and Cosmetic Act by adding a new section-Ephedrine and Pseudoephedrine; Electronic Tracking. The effective date is in 9 months.

**ANALYSIS:** This legislation provides for real-time tracking of sales and purchases of ephedrine and pseudoephedrine by limiting the amount that can be sold/purchased (3.6 grams/day and 9 grams/30 days) and prohibiting the sale/purchase in excess of these limits; by maintaining products containing these drugs behind the counter or in a locked case; by requiring purchasers to show valid identification at point of sale; and by requiring a retailer to request and record purchasers' identification and product information and to electronically submit that information to the National Precursor Log Exchange (NPLEx) or maintain a written log or alternate electronic recordkeeping mechanism. The transaction records in the NPLEx would be forwarded to the Department of Health weekly and real-time access would be available to law enforcement. The department would be required to work with NADDI to ensure that NPLEx can generate a stop sale alert that the sale would violate the quantity limits and the retailer would be required not to complete the sale. A violation of any provision of this legislation would be considered a misdemeanor punishable by fine only. The provisions would not apply to a person obtaining the product through a valid prescription.

Ephedrine and Pseudoephedrine are highly sought after for the illicit manufacture of methamphetamine ("meth") because of the chemical structural similarity to meth and because a chemical reduction to remove one of the components can create methamphetamine. The federal Combat Methamphetamine Epidemic Act (CMEA) was enacted on March 9, 2006 to regulate retail over-the-counter sales of ephedrine, pseudoephedrine and phenylpropanolamine because of their use in manufacturing illegal drugs. Pennsylvania's Controlled Substance, Drug, Device and Cosmetic Act (Act 64 '72) prohibits the retail sale of any product containing these drugs unless the product for sale is behind the counter or in a locked cabinet. The Noncontrolled Substances Reporting and Registration Act (Act 11 '90) establishes requirements for registering and reporting the use of noncontrolled substances including ephedrine and pseudoephedrine.

The National Precursor Log Exchange (NPLEx) is a national real time, electronic logging, stop-sale system used by pharmacists and law enforcement to track sales of over-the-counter cold and allergy medications containing precursors (primary ingredient) necessary to manufacture methamphetamine.

**FISCAL IMPACT:** Enactment of this legislation would have no fiscal impact on Commonwealth funds. The NPLeX system is provided through the National Association of Drug Diversion Investigators (NADDI) and funded by the pseudoephedrine manufacturers (Consumers Healthcare Products Association). The system can be made available free of charge to state government and to law enforcement agencies as well as pharmacies. The system is free of charge to states that enact legislation requiring retailer to report precursor sales using the system. There are the potential for cost savings as a result of enactment; for any personnel costs associated with review of paper tracking logs and for less health care costs associated with a reduction/elimination of domestic manufacturing of methamphetamine.

**PREPARED BY:** Kathy Vranicar  
House Appropriations Committee (R)

**DATE:** October 3, 2012

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