



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 602

PRINTERS NO. 1222

PRIME SPONSOR: Quinn

### COST / (SAVINGS)

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

**SUMMARY:** House Bill 602, Printer's Number 1222, amends the Controlled Substance, Drug, Device and Cosmetic Act by adding a new section to provide for the electronic tracking of ephedrine and pseudoephedrine. The bill takes effect 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 and purchased (3.6 grams/day and 9 grams/30 days). The bill requires that all nonprescription products containing these ingredients be maintained behind the counter or in a locked case; requires all purchasers to provide valid identification; and requires retailers to record identification and product information. Prior to the sale, the retailer is required to electronically submit the required information to a real-time stop sale system. If the retailer is unable to comply with the electronic tracking requirement, a written log or an alternative electronic recordkeeping mechanism is required. The transaction records of the real-time stop sale system would be forwarded to the Department of Health weekly and real-time access would be available to law enforcement. The department is required to work with the real-time stop sale system to ensure it is capable of generating a stop sale alert that the sale would violate the quantity limits and therefore, instruct the seller to not complete the sale. An override function is required and must be logged by the system each time it is used. 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 structure 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 of 1972) 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 of 1990) established requirements for

registering and reporting the use of noncontrolled substances including ephedrine and pseudoephedrine.

Currently, 26 states participate in the national real-stop sale system called the National Precursor Log Exchange (NPLEx). NPLEx is an 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 adverse 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 a retailer to report precursor sales using the system. It is estimated there will be personnel costs associated with the review of paper logs and coordination with the real-time stop sale system which will be absorbed by the department's General Government Operations appropriation; however, there is potential for cost savings as a result of enactment as well; decrease in health care costs and/or corrections costs associated with a reduction or elimination of domestic manufacturing of methamphetamine.

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House Appropriations Committee (R)

**DATE:** March 19, 2013

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