

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING RETAIL MARIJUANA TAXES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Representative Hamner  
Senator Steadman

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**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/22/15.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
J.001	Staff-prepared appropriation amendment
L.001	Bill Sponsor amendment - does not change fiscal impact

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause that provides the following appropriations from the newly created Proposition AA Refund Account in the General Fund for FY 2015-16 if voters approve the ballot question allowing the State to retain the revenue identified to be returned to the voters and total \$12.0 million:

<b>Amount*</b>	<b>Department</b>	<b>Purpose</b>
\$2,500,000	Public Health and Environment	Marijuana education campaign
\$1,000,000	Public Health and Environment	Poison control centers
\$2,000,000	Department of Education	School Bullying Prevention and Education Cash Fund
\$2,000,000	Department of Education	Student Re-engagement Grant Program
\$1,000,000	Department of Human Services	Youth Mentoring Services Cash Fund
\$1,000,000	Department of Human Services	Tony Grampsas Young Mentoring Program

<b>Amount*</b>	<b>Department</b>	<b>Purpose</b>
\$500,000	Health Care Policy and Financing	Screening, Brief Intervention, and Referral to Treatment (SBIRT) services for Medicaid eligible individuals at risk fo substance abuse
\$300,000	Department of Agriculture	Future Farmers of America and 4-H
\$1,000,000	Department of Local Affairs	Newly created Local Government Retail Marijuana Impact Grant Program
\$500,000	Department of Human Services	Treatment and detoxification contracts
\$200,000	Department of Law	Advanced roadside impaired driving enforcement training for peace officers
*This appropriation clause also authorizes the Department of Education to spend \$2,000,000 reappropriated funds from the Student Re-engagement Grant Program Fund, and authorizes the Department of Human Services to spend \$1,000,000 reappropriated funds from the Youth Mentoring Services Cash Fund in FY 2015-16.		

**Description of Amendments in This Packet**

**J.001** Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$212,369 to the Department of Local Affairs and \$25,440 to the Department of Revenue for FY 2015-16, from the Marijuana Tax Cash Fund. This provision also states that the appropriation is based on the assumption that the Department of Local Affairs will require an additional 2.0 FTE. Further, the provision appropriates \$79,770 from the Department of Local Affairs to the Governor's Office of Information Technology.

**L.001** Bill Sponsor amendment **L.001** (attached) accomplishes four changes to the bill:

- It eliminates the reduction to the local shareback;
- Provides the Department of Revenue with a manner to directly account for the reduced distributions to local governments for General Fund set aside for the refund;
- Provides the Department of Revenue with sufficient time to certify special sales tax receipts before completing the special sales tax portion of the refund; and
- Clarifies the timing of the actions required to recoup \$30.3 million General Fund that is transferred to the Proposition AA Refund Account.

**Whether or not L.001 is adopted, the Committee should adopt J.001.**

**Points to Consider**

*Technical Issue*

Amendment **J.001** includes an appropriation of \$212,369 and 2.0 FTE for the Department of Local Affairs to administer the newly created Local Government Retail Marijuana Impact Grant Program. The bill authorizes the General Assembly to appropriate moneys from the Marijuana Tax Cash Fund to the Department of Local Affairs to provide grants to local governments impacted by marijuana regulation. The bill appropriates \$1,000,000 for the first round of grant funding to the Department

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## **JBC Staff Analysis**

of Local Affairs if voters allow the state to retain the moneys in the Proposition AA Refund Account of the General Fund. If voters reject the ballot initiative, **J.001** will provide funding for a grant program with no funding to provide grants.