

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 45** HLS 18RS 209
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 19, 2018 7:23 AM	Author: CONNICK
Dept./Agy.: LA Board of Pharmacy	Analyst: Zachary Rau
Subject: Licensing of Third-Party Logistics Providers	

LICENSING EG SEE FISC NOTE SG RV See Note Page 1 of 1
 Requires third-party logistics providers to obtain controlled dangerous substance licenses

Proposed law defines "third-party logistics provider" in the Uniform Controlled Dangerous Substances Law. Present law requires persons conducting research with, manufacturing, distributing, procuring, possessing, prescribing, or dispensing any controlled dangerous substance in Louisiana to hold a Controlled Dangerous Substance License issued by the LA Board of Pharmacy. Present law allows the LA Board of Pharmacy to collect fees associated with the issuance of Controlled Dangerous Substance Licenses. Proposed law requires third-party logistics providers to hold a Controlled Dangerous Substance license and allows the LA Board of Pharmacy to collect a \$50 fee for the issuance of such license.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law adds a new category for Controlled Dangerous Substance (CDS) licenses issued by the LA Board of Pharmacy.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law adds the category of "third-party logistics provider" and a \$50 license fee to the licensing and fee schedule for Controlled Dangerous Substance (CDS) licenses issued by the LA Board of Pharmacy, and requires third-party logistics providers to hold CDS licenses if transporting controlled dangerous substances in Louisiana. However, the LA Board of Pharmacy reports that third-party logistics providers currently transporting controlled dangerous substances in Louisiana already operate using CDS licenses designated for distributors, which also carry a \$50 license fee. Therefore, the addition of the "third-party logistics provider" category will not affect revenue collections in the aggregate, as third-party logistics providers will now be licensed in their own category with the same \$50 license fee, rather than as distributors.

For reference, the LA Board of Drug and Device Distributors reports 25 third-party logistics providers in Louisiana transporting and distributing controlled dangerous substances.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director