

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 198** SLS 23RS 376

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|-------------------------------|---------|---------------------------------|
| Date: May 4, 2023 | 8:12 AM | Author: JACKSON |
| Dept./Agy.: LDH | | Analyst: Shawn Hotstream |
| Subject: hemp products | | |

AGRICULTURAL COMMODITIES EG INCREASE GF EX See Note
Provides relative to consumable hemp products. (8/1/23)

Proposed law requires the Louisiana Department of Health to allow any product that is pending approval to be stored by the retailer or wholesaler in a separate storage, without the product being confiscated pending final approval or denial from the department. Proposed law further allows the retailer or wholesaler 5 business days from the date of the denial notification to submit proof that the supplier or manufacturer was contacted to return the product. The commissioner shall electronically notify each retailer, within 5 business days of the legal status if consumable hemp products are declared illegal to sell in the state.

| EXPENDITURES | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</u> | <u>2026-27</u> | <u>2027-28</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| 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 | | | | | | |
| REVENUES | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</u> | <u>2026-27</u> | <u>2027-28</u> | <u>5 -YEAR TOTAL</u> |
| 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 |

EXPENDITURE EXPLANATION

This measure is anticipated to result in additional hemp product labeling expenditures by the Louisiana Department of Health. The annual expenditures will depend on the number of products that are pending approval by LDH. Information provided by LDH indicates pending approval stickers are estimated to cost approximately \$80 per labeling sticker based on security features required in such labels. In addition, the Office of Alcohol and Tobacco Control (ATC) anticipates additional workload associated with maintaining up to date list of retailers, identifying the specific products included in a retailer's detailed inventory list, and the date at which products would be allowed to be sold, and inspection and follow up of permitted locations to confirm or audit inventory. The ATC is unable to determine at this time if this measure will require additional staff support to ensure new responsibilities under this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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
Interim Deputy Fiscal Officer