

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 649** HLS 24RS 806

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 14, 2024 2:11 PM	<b>Author:</b> NEWELL
<b>Dept./Agy.:</b> Secretary of State/	<b>Analyst:</b> Daniel Druilhet
<b>Subject:</b> Decriminalization of Marijuana - Proposition Election	

CONTROLLED SUBSTANCES OR DECREASE GF EX See Note  
Provides for a proposition election regarding the legalization of marijuana

Current law lists marijuana, tetrahydrocannabinols (THC) and chemical derivatives of THC as Schedule I substances under the Uniform Controlled Dangerous Substances Law. Current law imposes different penalties for the crime of distribution and possession with intent to distribute marijuana, THC, and derivatives of THC. Proposed law removes criminal penalties associated with the possession, distribution, or dispensing, or possession with intent to distribute or dispense marijuana for those over the age of 21; removes marijuana, THC, and chemical derivatives of THC as Schedule I substances under the Uniform Controlled Dangerous Substances Law, and only becomes effective contingent upon an affirmative vote of a majority of qualified electors of the state relative to a ballot proposition to be included in the 11/05/24 statewide general election, which is to appear on the ballot in every parish.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law will likely result in an indeterminable, but significant, net decrease in SGF expenditures. The Department of Public Safety and Corrections – Corrections Services (DPSC – CS) will experience a decrease in SGF expenditures if marijuana, THC, and derivatives of THC are removed as Schedule I substances and criminal penalties are removed for possessing, distributing, dispensing, or possessing with intent to distribute or dispense marijuana, THC, and chemical derivatives of THC for those over the age of 21. Alternatively, the Department of Public Safety and Corrections - Public Safety (DPS&C - PS) will experience an increase in SGF expenditures if marijuana, THC, and THC derivatives are removed as Schedule I substances and criminal penalties are removed for possessing, distributing, dispensing, or possessing with intent to distribute or dispense marijuana, THC, and chemical derivatives of THC for those over the age of 21 (see Page 2).

DPSC – CS reports that in 2023, there were 843 admissions for these crimes, with an average sentence length imposed of 4.7 years. Proposed law will result in an annual savings of approximately \$37.2 M in SGF for offenders housed at local facilities (\$26.39 per day per offender x 365 days x 843 admissions). The exact fiscal impact is indeterminable because there is no indication of whether proposed law will apply retroactively to offenders already incarcerated for distribution and possession with intent to distribute marijuana.

CONTINUED ON PAGE 2

**REVENUE EXPLANATION**

Proposed law will result in an indeterminable decrease in local funds revenue as a result of a loss of potential fines upon removal of criminal penalties contingent upon the legislature providing for a statutory regulatory system for the legal sale and distribution of marijuana.

**Louisiana Board of the Public Defender**

Proposed law will result in an indeterminable decrease in Conviction and User Fees (CUFs) for local offices of the public defender, specifically the \$40 application fee for services as well as a \$45 special court cost if an offender is convicted or makes a nolo contendere plea. However, due to the infrequency with which these fees are collected from indigent persons, it is indeterminable whether the passage of this legislation would result in a decrease in local funding.

**Louisiana Department of Revenue**

Proposed law will result in a minor decrease in tax collections, specifically the reduction in taxes imposed on dealers of marijuana by La. R. S. 47:2601, which for the last five years has been \$30,929. Whether proposed law will result in any additional revenues is contingent upon enactment of legislation providing for a statutory regulatory system and establishment of a sales tax for marijuana. Passage of the proposed law would not result in a significant revenue impact.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

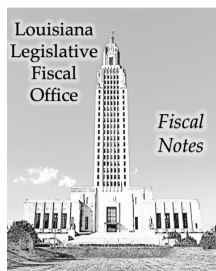
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Patrice Thomas**  
**Deputy Fiscal Officer**

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**CONTINUED EXPLANATION from page one:**  
**[CONTINUED FROM PAGE 1 - EXPENDITURES]**

**DPSC (Public Safety)**

Proposed law will result in an increase in SGF expenditures for the Department of Public Safety and Corrections - Public Safety, based on the experience of other states that have decriminalized recreational marijuana. Public Safety anticipates decriminalizing marijuana will have an indirect impact on lab expenses associated with a projected increase in the number of blood samples tested through toxicology analysis for impaired drivers for THC and testing components of products found at illegal marijuana manufacturers and retailers. The additional 1,000 blood samples that Public Safety anticipates that it will test under proposed law are connected to estimates derived from studies of states which have already legalized cannabis and experienced an increase in the number of cannabis-related DUI citations issued.

The Louisiana State Police, along with many Sheriffs Offices and police departments, are a part of federal task forces, for which the Louisiana State Police Crime Lab (LSPCL) performs testing. Any existing testing of blood samples related to criminal purposes will not be eliminated, and testing of narcotics will still be required if an offender is accused of other crimes, such as driving while intoxicated. The current cost for a toxicology analysis on a blood sample is \$912, so with an additional 1,000 blood samples tested, there will likely be an increased operating cost of \$912,000 (1,000 x \$912 = \$912,000).

Public Safety estimates that it would require 4 Crime Lab Analyst positions (\$424,337) and lab equipment (\$1.24 M) to handle the influx of samples tested by the LSPCL under proposed law. Approximately 20 cases are assigned to each analyst, each month. The LSPCL, which services over 200 agencies, is currently assigned a number of cases that nearly exceeds its capacity to test. In 2023, there were 7 fully trained toxicology analysts working in the LSPCL, and three that were in training. The Louisiana State Police reports that in 2022, 1,720 toxicology reports were completed, of which 1,520 were blood toxicology reports. The five-year average of tests completed between 2018 and 2022 is 2,500. With 20 cases assigned to each analyst each month, the number of samples tested by the LSPCL (1,720) slightly exceeded the number of completed toxicology tests expected in 2022 - 1,680 (7 analysts x 20 cases per month x 12 months). For an additional 1,000 tests estimated with passage of proposed law, if each of the 4 crime lab analysts were assigned 20 toxicology blood samples to test per month, over the course of one year, 960 blood samples could be tested (4 analysts x 20 cases per month x 12 months). This is near the projected workload expected to be assumed with the proposed law (1,000 additional blood samples).

Additional equipment will also be needed to handle an increased number of samples tested, including two new mass spectrometers (\$810,900), extraction and quant equipment (\$273,217), annual contracts for mass spectrometer service (\$50,000) and Stericycle Biohazard Disposal (\$17,912), flasks, pipettes, dispensers and software (\$42,000), and gas, filaments, and other consumables for validation (\$41,726). The LSPCL advises that the request for additional equipment is to ensure that a backlog of testing is not created, and that with assuming additional testing, it will still have the ability to maintain a turnaround time of less than 30 days when conducting tests.

Considering personnel requests, along with operating and equipment costs, proposed law will result in an increase of \$2.6 million in SGF expenditures in the Louisiana State Police Crime Lab in the first year.

**Louisiana Board of the Public Defender**

Proposed law will result in an indeterminable decrease in SGF expenditures for the Louisiana Board of the Public Defender (LBPD) to the extent that it reduces workload associated with defense for cases involving distribution or possession of marijuana. LPDB reports that in 2023, the public defender system represented individuals in 4,323 cases in which either distribution or possession of marijuana was the dominant charge (or 1.8% of all raw case numbers in the public defender system). Proposed law would redirect attorney workload associated with representing individuals charged with either manufacturing, distribution, dispensing or possession with intent to distribute marijuana.

**Louisiana Department of Revenue**

Whether proposed law will result in any additional expenditures is contingent upon enactment of legislation providing for a statutory regulatory system and establishment of a sales tax for marijuana.

**Local District Attorney Offices (DAA)**

Proposed law will result in an indeterminable decrease in local expenditures of District Attorney's offices, with a fewer numbers of cases to be prosecuted, but the DAA is unable to predict the number of future prosecutions.

**Secretary of State**

The proposed ballot proposition may result in a minimal increase in programing costs for the Department of State to update voting machines for statewide judicial elections and can likely be absorbed within the department's existing operating budget.

The Department of State may incur minimal ballot processing costs associated with this measure. As a regular practice, the Department of State typically budgets for up to 10 constitutional amendments and statewide propositions for the fall statewide elections. To the extent the ballot includes more than 10 constitutional amendments and statewide propositions, the Department of State may require additional SGF resources for the November 5, 2024, statewide election. Any expenditure impact would be realized in FY 25.

Senate      Dual Referral Rules

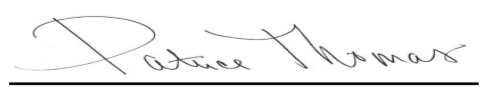
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