

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

|                                    |   |
|------------------------------------|---|
| <b>LRB Number</b> <b>17-2432/1</b> | <b>Introduction Number</b> <b>AB-0158</b> |
|------------------------------------|---|

**Description**  
 production and possession of cannabidiol for treatment of a medical condition and providing a penalty

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

|  |  |   |
|--|--|---|
| <input type="checkbox"/> Increase Existing Appropriations<br><input type="checkbox"/> Decrease Existing Appropriations<br><input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues<br><input type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget<br><input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> Decrease Costs |
|--|--|---|

**Local:**

|  |  |  |
|--|--|--|
| <input type="checkbox"/> No Local Government Costs<br><input type="checkbox"/> Indeterminate | 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>4. <input type="checkbox"/> Decrease Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |
|--|--|--|

**5. Types of Local Government Units Affected**

|   |   |                                 |
|---|---|---------------------------------|
| <input type="checkbox"/> Towns            | <input type="checkbox"/> Village        | <input type="checkbox"/> Cities |
| <input type="checkbox"/> Counties         | <input type="checkbox"/> Others         |                                 |
| <input type="checkbox"/> School Districts | <input type="checkbox"/> WTCS Districts |                                 |

|  |                                       |
|--|---------------------------------------|
| <b>Fund Sources Affected</b>   | <b>Affected Ch. 20 Appropriations</b> |
| <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS |                                       |

|                                   |                              |             |
|-----------------------------------|------------------------------|-------------|
| <b>Agency/Prepared By</b>         | <b>Authorized Signature</b>  | <b>Date</b> |
| DOC/ Emily Lindsey (608) 240-5413 | Donald Friske (608) 240-5056 | 3/31/2017   |

## Fiscal Estimate Narratives

DOC 3/31/2017

|   |           |                     |         |               |          |
|---|-----------|---------------------|---------|---------------|----------|
| LRB Number  | 17-2432/1 | Introduction Number | AB-0158 | Estimate Type | Original |
| <b>Description</b><br>production and possession of cannabidiol for treatment of a medical condition and providing a penalty |           |                     |         |               |          |

### Assumptions Used in Arriving at Fiscal Estimate

This bill establishes a licensure program administered by the Department of Safety and Professional Services (DSPS) for producers of cannabidiol (CBD). Under the bill, a person may possess tetrahydrocannabinols to produce CBD oil, and may produce CBD oil and deliver it; only if the person is licensed by DSPS and only if the CBD oil is produced in a form without a psychoactive effect for the treatment of a medical condition.

The bill also makes certain changes to the requirements for possessing CBD oil and dispensing it to patients. Current law designates THC as a schedule I controlled substance and defines THC to exclude CBD oil in a form without a psychoactive effect that is dispensed by a pharmacy or physician approved by the Controlled Substances Board to treat a seizure disorder or that is possessed by a person with documentation from a physician that the CBD oil is to treat a seizure disorder. Under the bill, THC does not include CBD oil in a form without a psychoactive effect without regard to who dispenses it or possesses it. The bill also specifies that any person may possess CBD oil to treat a medical condition and that any pharmacy or physician may dispense CBD oil to treat a medical condition.

This bill would have an indeterminate effect on the DOC inmate and offender population as the DOC cannot predict how many fewer inmates would be sentenced to prison or probation if this legislation were enacted. As of December 31st, 2016, there were 806 inmates incarcerated at DOC institutions who were convicted for any THC offense as part of their overall sentence. The DOC had 5,550 offenders on community supervision who were convicted for any THC offense as part of their overall sentence.

The average FY16 annual cost for an inmate in a DOC institution is approximately \$32,300. However, when there is excess capacity in DOC facilities, the incremental costs (i.e. food, health care and clothing) of housing a small number of inmates is approximately \$5,700 based on FY16 costs. Should the Department use contract beds, the rate would be approximately \$18,800 annually per person.

State costs could also change if a decreased number of offenders are convicted of any THC crime and placed on probation. The average FY16 annual cost to supervise one offender is approximately \$3,000.

### Long-Range Fiscal Implications