# AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

**Agency Submitting Regulation: Dept. of Consumer Protection** **Date:** January 16, 2013

**Subject Matter of Regulation The Palliative Use of Marijuana**

**Regulation Section No:**

**Statutory Authority: Public Act 12-55**

**Other Agencies Affected: none**

**Effective Date Used In Cost Estimate:**

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## SUMMARY OF COST AND REVENUE IMPACT OF PROPOSED REGULATION

**Agency: DCP** **Fund Affected: Palliative Marijuana Administration Account**

| | First Year | Second Year | Full Operation |
|---|---|---|---|
| Number of Positions | 6 | 6 | *6 |
| Personal Services | 621,673 | 621,673 | *621,673 |
| Other Expenses | 61,244 | 61,244 | *61,244 |
| Equipment | 23,000 | 23,000 | *23,000 |
| Grants | 0 | 0 | 0 |
| Total State Cost or (Savings) | 705,917 | 705,917 | *705,917 |
| Estimated Revenue Gain or (Loss) | 750,000 | 750,000 | *750,000 |
| Total Net State Cost or (Savings) | (44,083) | (44,083) | (*44,083) |

**Explanation of State Impact of Regulation: Public Act 12-55 requires the Department of Consumer Protection to provide oversight of Connecticut's Medical Marijuana Program. The act creates a "Palliative Marijuana Administration Account,"that is funded by fees collected through the licensing and registration of patients, caregivers, dispensaries and producers. The proceeds contained in the fund may be expended only for the purposes of providing funding to the Department for resources needed to administer the program.**

**In year 1 of the program, the Department anticipates the need to hire six full-time employees in the following classes: 3 Drug Control Agents (3@$77,241), 1 Health Program Assistant II ($56,444), 1 License and Application Analyst ($53,663) and 1 Secretary 1($49,061). These positions would continued to be needed for year 2. The salaries shown for these job classes are the minimum for each respective job class. The total salaries amount is increased by 59% to reflect the cost of fringe benefits, bringing the total to $621,673 annually.**

**The amount shown in "Other Expenses" is money needed to fund enhanced usage and maintenance of the Department's existing Prescription Drug Monitoring Program.**

**The Equipment line item represents the estimated cost of providing computer equipment, office supplies and automobile related expenses to DCP staff assigned to this program.**

**The "Revenue Gain" numbers are based on estimates of the number of Qualifying Patients, Caregivers, Dispensaries, Producers and ancillary registrants in the program.**

**It should be noted that while fees are deposited into the nonlapsing Palliative Marijuana Administration Account, sales tax revenue associated with the sale of Medical Marijuana will be treated in the usual manner.**

***The numbers shown for Full Operation are shown as carry over from year 2. However, it is important to note that actual numbers are dependent on the number of qualifying patients who register with the program. Statistically valid estimates are difficult to achieve in the outyears of this program.**

**Explanation of Municipal Impact of Regulation: Implementation of the medical marijuana program may result in revenue increase to some municipalities. Specifically, for those municipalities that host medical marijuana production facilities and/or medical marijuana dispensaries an increase in municipal property taxes may be realized. Additionally, to the extent that retail sales of medical marijuana will be subject to the state sales tax, municipalities will see a corresponding increase in their sales tax revenue.**

**Explanation of Small Business Impact of Regulation: Please see attached Small Business Impact Statement.**