



DEPARTMENT OF AUDITS AND ACCOUNTS

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January 29, 2020

Honorable Sandra Scott
State Representative
611-D Coverdell Legislative Office Bldg.
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 33 8101)

Dear Representative Scott:

This bill allows for direct delivery of low tetrahydrocannabinol (THC) oil to individuals registered with the Department of Public Health's (DPH) Low THC Oil Registry. Beginning January 2, 2021, the Medical Cannabis Oversight Commission (Commission) would be authorized to issue delivery permits which would be valid for one year and may be renewed annually. Registered individuals would submit an order to a licensed dispenser which can then be physically delivered to the registered patient or that patient's caregiver, parent, or guardian. Deliveries are to be packaged on the premises of licensed dispensaries and would be authorized no more than once per day to private residences; deliveries to schools or higher education campuses would be prohibited.

The Commission would also be tasked with establishing qualifications, eligibility, record-keeping, and security requirements for dispensaries applying for delivery permits as well as other rules pertaining to driver training, health and safety, patient confidentiality, and systems for payment, tracking, and oversight. Fees for application and renewal of delivery permits would also be established by the Commission.

Costs to the Medical Cannabis Oversight Commission

We determined that the Commission would incur additional costs related to expanded responsibilities for compliance personnel and dispensary inspectors. The estimated cost to implement the provisions of this bill are approximately \$397,000 in annual personnel and operational costs, as well as \$10,440 in one-time expenditures (see Table 1).

Table 1. Medical Cannabis Oversight Commission Costs

Item	One Time Costs	Annual Costs
Personnel		
Compliance Officer (1)		\$133,516
Inspectors (2)		<u>\$234,467</u>
Personnel Total	\$0	\$367,983
Operating Costs		
Travel, Training		\$21,824
Equipment, Uniforms, Furniture	\$6,900	
IT Equipment	\$3,000	
Telecom Equipment	\$540	\$3,240
Real Estate Rental		<u>\$3,864</u>
Operating Total	\$10,440	\$28,928
Grand Total	\$10,440	\$396,911

The Commission estimated the need for three additional employees – one compliance officer and two inspectors. As shown above, the three positions would have associated one-time funds for items such as uniforms, furniture, computers, and phones. In addition to salaries and benefits, annual costs would be incurred for travel, training, telephone charges, and real estate rental. The estimate assumes that any workload changes for other Commission staff positions—director, attorney, support staff—would not require additional funding.

Costs to the Department of Public Health

The Department of Public Health (DPH) currently operates the Low THC Oil Registry for patients authorized to purchase and use medical cannabis. DPH does not anticipate involvement in the delivery or permitting process and has indicated no financial impact on their operations as a result.

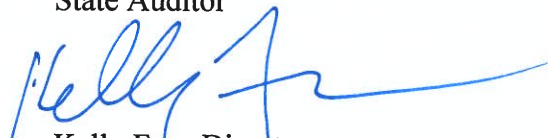
Fee Revenue

The bill requires dispensaries who conduct delivery operations to become permitted and pay application and renewal fees. However, no fee range or cap is specified in statute and we are unable to reliably estimate the amounts that may be set by the Commission.

Sincerely,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget