



FISCAL NOTE

House Bill 445

Committee: Health

Sponsor: Representative Andy Whitt

Analyst: Tiffany Weaver

Date: «Released Date»

House Bill 445 as introduced would increase receipts to the following by an undetermined amount dependent on the receipts from the 7% excise tax levied on the gross sales of consumable hemp products to retailers and would require these proceeds to be distributed as follows:

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| State General Fund | 50% |
| Counties (on a prorated basis per population) | 25% |
| Municipalities (on a prorated basis per population) | 25% |

This bill would increase the obligations of the Alcoholic Beverage Control (ABC) Board by an undetermined amount dependent upon the cost of storage spaces for seized contraband, additional personnel, and other administrative costs associated with the licensure and regulation of these products. However, these obligations would be offset, in whole or in part by the following fees provided by this bill which would be deposited to the Consumable Hemp Product Compliance Fund, created by this bill, in the State Treasury: (1) the \$50 initial license fee for retailers; (2) the \$50 label approval fee for manufacturers; and (3) the annual license fees for consumable hemp products as follows:

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|--------------------------|---------|
| Manufacturer License Fee | \$5,000 |
| Wholesaler License Fee | \$5,000 |
| Retailer License Fee | \$1,000 |

This bill could also increase receipts to the State General Fund from civil penalties imposed by the ABC board up to \$20,000 per offense; could increase receipts to the State General Fund and municipal general funds from fines; increase receipts to the State General Fund, county general funds, municipal general funds, and other funds to which court costs are deposited; and could



increase the obligations of the State General Fund, district attorneys, and local jails by an undetermined amount dependent upon the number of persons charged with and convicted of the offenses provided by this bill and the penalties imposed.

This bill would also increase the obligations of the Alabama Department of Public Health by an undetermined amount to review certificates of analysis submitted to the department for certain consumable hemp products, which would be offset, in whole or in part, by a processing fee collected by the department in an amount set by the department.

Lastly, this bill could decrease potential receipts to the State General Fund and municipal general funds by an amount ranging from \$50 to \$400 per violation by repealing Section 13A-12-214.4, Code of Alabama 1975, regarding fines for possession of certain cannabinoids.