



FISCAL NOTE

House Bill 445

Committee: Fiscal Responsibility and
Economic Development

Sponsor: Representative Andy Whitt

Analyst: Tiffany Weaver

Date: 04/16/2025

House Bill 445 as passed the House of Representatives would increase receipts by an undetermined amount dependent on the receipts collected from the 7% excise tax levied on the gross sales of consumable hemp products of retailers as follows:

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

This bill would also 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 into 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:

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 any monies remaining in the Consumable Hemp Product Compliance Fund on September 30, of each year and 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 undetermined 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.