



FISCAL NOTE

Senate Bill 237

Committee: Healthcare

Sponsor: Senator Tim Melson

Analyst: Tiffany Weaver

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Senate Bill 237 as introduced would levy a 10% excise tax on the retail sales price of hemp beverage products and psychoactive hemp products and would require the revenues to be distributed as follows:

State General Fund	40%
ABC Board (for regulation/administration)	35%
Alabama Law Enforcement Agency (for enforcement)	7.5%
ABC Board (for enforcement)	7.5%
Municipality / County (for enforcement)	10%

This bill would increase the obligations of the Alcoholic Beverage Control (ABC) Board to license and regulate hemp beverages and psychoactive hemp products and adopt rules to implement the provisions of this bill by an undetermined amount dependent upon the need for additional personnel and other administrative needs associated with the licensure and regulation of hemp beverages and psychoactive hemp products at licensed and permitted locations and the need for additional storage space for seized contraband. However, these obligations would be offset, in whole or in part by: (1) a portion of the receipts collected from the new 10% excise tax on the retail sales price of hemp beverages and psychoactive hemp products; (2) the one-time application fees to be prescribed by the Board for a manufacturer license, wholesaler license, retailer license, and hemp beverage license; (3) the initial and annual license fees for hemp beverages as follows:

Manufacturer License Fee	\$500
Wholesaler License Fee	\$550, plus \$200 for each additional warehouse
Retailer License Fee	\$150 for on-premise and off-premise sales; and

(4) the \$100 one-time nonrefundable filing fee and \$500 annual permit fee required to distribute



or sell psychoactive hemp products.

This bill could also increase receipts to the State General Fund from civil penalties imposed by the ABC Board; 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 the 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 penalty amounts imposed.