

## Department of Planning and Budget 2019 Fiscal Impact Statement

**1. Bill Number:** SB1057

**House of Origin**     Introduced     Substitute     Engrossed  
**Second House**     In Committee     Substitute     Enrolled

**2. Patron:** Marsden

**3. Committee:** Agriculture, Conservation and Natural Resources

**4. Title:** Industrial hemp; definition, exclusion from certain marijuana provisions.

**5. Summary:** Includes in the definition of "industrial hemp" any compound, manufacture, salt, derivative, mixture, or preparation of the plant Cannabis sativa, its seeds, or its resin that contains a concentration of tetrahydrocannabinol (THC) that is no greater than that allowed by federal law. The bill excludes industrial hemp from various provisions related to marijuana, including from Schedule I of the Drug Control Act.

**6. Budget Amendment Necessary:** Yes, to Item 407 of HB1700/SB1100.

**7. Fiscal Impact Estimates:** Preliminary.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2020	\$3,296,225	13	General Fund
2021	\$1,667,225	13	General Fund
2022	\$1,667,225	13	General Fund
2023	\$1,667,225	13	General Fund
2024	\$1,667,225	13	General Fund
2025	\$1,667,225	13	General Fund

**8. Fiscal Implications:** It is anticipated that this bill will not have a fiscal impact on the Department of Agriculture and Consumer Services or the Department of State Police.

The Department of Forensic Science (DFS) does anticipate an expenditure impact as a result of this bill. The requirements of this bill are estimated to cost approximately \$3.3 million in FY 2020 (start-up) and \$1.7 million annually thereafter.

The bill excludes all forms of industrial hemp, as defined in the bill, from the definition of marijuana. Currently, the definition of marijuana excludes only industrial hemp that is possessed by a person registered with the Department of Agriculture and Consumer Services. Without a registration requirement for industrial hemp possession, growing, or processing, DFS anticipates receiving an increase of samples for quantitative analysis to distinguish between marijuana and industrial hemp. Material with a THC concentration of less than 0.3 percent is not considered marijuana.

Currently, there are not any field test kits available in the U.S. that can distinguish between industrial hemp and marijuana. Therefore, marijuana arrests that are not currently sent to DFS for analysis will have to be submitted for quantitation.

DFS is estimating a 20 percent increase in marijuana cases, for a total of approximately 9,660 cases. According to DFS, THC quantitation takes approximately 10 hours per case; however, to address the workload resulting from this bill, DFS anticipates the need to establish a special Forensic Marijuana/Hemp Quantitation Unit that will be solely dedicated to this type of case analysis. The establishment of a special unit is expected to result in a new average of 2.5 hours per quantitation. DFS anticipates requiring 13 new, full-time positions to include 11 Forensic Scientists, 1 Forensic Scientist Group Supervisor, and 1 Forensic Scientist Section Supervisor. Salaries and supplies to support these positions are estimated to cost approximately \$1.7 million annually.

In the first year, one-time capital renovation and equipment costs are anticipated. According to DFS, all four of the Controlled Substances Sections are utilizing 100 percent of facility space and cannot accommodate additional people or equipment. The Eastern Laboratory in Norfolk, Virginia has the only available contiguous laboratory space that can be utilized for this unit; however, this space will require capital renovations in order to meet the needs of the newly formed unit.

The available space is approximately 5,000 square feet and the agency estimates a total renovation cost of \$1.0 million. Each examiner will need a balance, microscope, and other miscellaneous equipment items estimated at \$8,000 per scientist for a total one-time cost of \$104,000. Additionally, larger equipment needs for the section include one Liquid Chromatograph Diode Array Detectors for every three examiners, at a cost of approximately \$80,000 per instrument. This section also will need two Gas Chromatograph/Mass Spectrometers at a cost of approximately \$120,000 each. DFS also estimates an annual cost of approximately \$96,600 associated with reference samples for batch processing of marijuana quantification.

**9. Specific Agency or Political Subdivisions Affected:** Department of Forensic Science; Department of Agriculture and Consumer Services; Department of State Police.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** HB1839, HB2346, HB2649, and SB1692 also address industrial hemp.