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H.B. 60
134th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Reps. Brent and Seitz

Local Impact Statement Procedure Required: No

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Highlights

- Possible \$20,000 annual increase in the amount of revenue deposited to Fund 5SY0 in the form of fees for registration with the Ohio Medical Marijuana Control Program Patient & Caregiver Registry.
- The bill may generate minimal additional state and local sales tax revenue annually from an increase in the sale of medical marijuana for autism spectrum disorder.
- The State Board of Pharmacy and Medical Board should be able to absorb any associated costs to register and manage additional patients and caregivers, and doctors certified to recommend medical marijuana, respectively, utilizing existing staffing levels and appropriated funds.

Detailed Analysis

The bill adds “autism spectrum disorder” to the list of conditions that are eligible for treatment with medical marijuana under the Ohio Medical Marijuana Control Program (MMCP). Adding the condition will make some number of additional Ohioans eligible to register as patients and/or caregivers, and subsequently to purchase marijuana from a licensed dispensary. The bill will likely increase the amount of revenue deposited to the Medical Marijuana Control Program Fund (Fund 5SY0) in the form of fees for registration with the MMCP Patient & Caregiver Registry and increased sales tax revenue from the purchase of medical marijuana.

Patient and caregiver registration

On December 3, 2018, the State Board of Pharmacy activated the MMCP Patient & Caregiver Registry and, as of January 2021, 168,571 patients and 19,199 caregivers had completed the registration process. The Registry allows certified physicians to register patients

and caregivers and to issue recommendations for the use of medical marijuana, and subsequent to initial registration by a physician, patients and caregivers are able to use the system to complete registration for a medical marijuana patient registry card, update registration information, and pay the required annual fee.

To obtain medical marijuana through the MMCP, a person must (1) receive a recommendation from a certified physician confirming that a person has at least qualifying medical conditions, (2) register with the MMCP Patient & Caregiver Registry including the required fee described below, and (3) purchase medical marijuana from a dispensary licensed by the State Board of Pharmacy.

The annual cost of a medical marijuana registration is \$50 for patients and \$25 for caregivers. Registration must be renewed annually. Patients who qualify for indigent or veteran status may be eligible for fee reductions. Proceeds from patient and caregiver registration fees are deposited to the Medical Marijuana Control Program Fund (Fund 5SY0) established by the Controlling Board in August 2018 and used by the Board and the Department of Commerce to administer the MMCP.

In Michigan, as of January 2021, 0.21% of qualifying patients were using medical marijuana for the condition of autism. Applied to Ohio's total registered users, this would result in just under 400 patients with autism as a qualifying condition, some percentage of whom may already be registered with another condition. If Ohio's experience were to mirror Michigan's, annual medical marijuana registration revenues from the addition of autism would be about \$20,000 at most.¹

The State Board of Pharmacy should be able to absorb any associated costs to register and manage additional patients and caregivers utilizing existing staffing levels and appropriated funds.

Certificate to recommend

Adding an additional qualifying condition could increase the number of doctors who apply for a certificate to recommend medical marijuana. As of March 10, 2021, the State Medical Board of Ohio had issued 679 Certificates to Recommend (CTR) medical marijuana. The Board will realize an increase in administrative expenses to process and oversee any additional applications and if necessary to update any rules. There is no fee for a CTR.

Tax revenue

The bill may generate minimal additional state and local sales tax revenue annually from an increase in the sale of medical marijuana for autism spectrum disorder. For any given county or transit authority, the additional local sales tax revenue will be a function of the tax rate, the monetary value of the medical marijuana purchases for those with autism spectrum disorder, and the number of licensed dispensaries located within the county or transit authority's taxing jurisdiction.

In FY 2020, sales of medical marijuana totaled approximately \$130 million from 990,000 total receipts (or \$132/transaction). This would have generated \$7.5 million in state sales tax

¹ Michigan Marijuana Regulatory Agency Monthly Report, January 2021.

revenue at 5.75%. Local sales tax rates, which includes all 88 counties and ten counties with a permissive transit tax rate, range from 0.75% (Butler, Stark, and Wayne counties) to 2.25% (Cuyahoga County). The amount generated from county and transit sales taxes levied on medical marijuana purchases was between \$977,250 and \$2.9 million statewide.