

Department of Planning and Budget

2022 Fiscal Impact Statement

1. Bill Number: HB301

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Freitas

3. Committee: Committee Referral Pending

4. Title: Allocation of revenues and membership criteria for Board members

5. Summary: The proposed bill requires that one member of the Board of Directors of the Virginia Cannabis Control Authority (the Board) be a person who has recovered from a substance use disorder and is not employed by a government entity.

The bill increases from 21 to 25 the number of members on the Cannabis Public Health Advisory Council (Council) and requires that four members be persons who have recovered from a substance use disorder and are not employed by a government entity. The bill requires that 40 percent of the Board's net profits distributed to the Department of Behavioral Health and Developmental Services be allocated to private certified recovery residences that provide low-cost evidence-based substance use disorder treatment and recovery services and satisfy certain other requirements set forth in the bill.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Preliminary (see Item #8)

8. Fiscal Implications: Currently, Va. Code § 4.1-607 establishes that the Cannabis Control Authority (CCA) will be governed by a Board of Directors, which must consist of five citizens at large appointed by the Governor and confirmed by the affirmative vote of a majority of those voting in each house of the General Assembly. The proposed bill would require that one of the five Board members be a person who has recovered from a substance use disorder and is not employed by a government entity. Any additional expenses related to a new Board member is expected to be minimal and could be accommodated with existing resources.

The bill also increases from 21 to 25 the number of members on the Cannabis Public Health Advisory Council and requires that four members be persons who have recovered from a substance use disorder and are not employed by a government entity. The CCA anticipates this requirement is not expected to have a fiscal impact on the Authority's operations.

Currently, under § 4.1-614. B(3) twenty-five percent of the CCA's net profits appropriated to the Department of Behavioral Health and Development Services (DBHDS) must be distributed to community services boards (CSBs) for purposes of administering substance

use disorder prevention and treatment programs. The bill requires that at least forty percent percent of the Board's net profits distributed to the DBHDS must be allocated to private certified recovery residences that provide low-cost evidence-based substance use disorder treatment and recovery services and satisfy certain other requirements set forth in the bill. According to DBHDS, this requirement does not create a material fiscal impact on agency operations.

The proposed legislation does not reduce the total expected net profit transfers to the general fund.

9. Specific Agency or Political Subdivisions Affected: Cannabis Control Authority and Department of Behavioral Health and Developmental Services

10. Technical Amendment Necessary: No

11. Other Comments: None