

## Department of Planning and Budget 2022 Fiscal Impact Statement

**1. Bill Number:** SB591H1

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

**2. Patron:**        Hanger

**3. Committee:** House Committee on General Laws

**4. Title:**        Cannabis shape prohibitions

- 5. Summary:** The bill clarifies that “marijuana” does not include (i) the mature stalks of such plant, fiber produced from such stalk, or oil or cake made from the seed of such plant, unless such stalks, fiber, oil, or cake is combined with other parts of plants of the genus Cannabis; (ii) industrial hemp, as defined in § 3.2-4112, that is possessed by a person registered pursuant to subsection A of § 3.2-4115 or his agent or (ii); (iii) industrial hemp, as defined in § 3.2-4112, that is possessed by a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990 or his agent.

The bill requires the Cannabis Control Authority Board to promulgate regulations that prohibit the production and sale of retail marijuana and retail marijuana products that depict or are in the shape of a human, animal, or vehicle.

The bill amends § § 18.2-247 to establish that the Department of Forensic Science (DFS) must determine the proper methods for detecting the concentration of tetrahydrocannabinol in substances for the purposes of this title, Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1, and § 54.1-3401.

The bill contains enactment clauses.

- 6. Budget Amendment Necessary:** Yes, Item 404, as introduced (HB30/SB30) provides \$50,000 (woodrum) for certain criminal penalties.

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

- 8. Fiscal Implications:** According to the Cannabis Control Authority (CCA), the bill is not expected to have a material fiscal impact on the appropriations of the Authority. The introduced budget (HB30/SB30) provided additional start-up general fund support for the Authority’s operations.

The bill is not expected to create a material fiscal impact on the agency resources of the Office of the Executive Secretary of the Supreme Court, Department of Agriculture and Consumer Services or Department of Forensic Science.

The bill could result in an increase in the state-responsible (prison) bed space needs of the Commonwealth. Since the number of individuals who may be convicted as a result of this bill cannot be determined with available data, the impact on prison beds cannot be quantified.

Due to the lack of data, the Virginia Criminal Sentencing Commission has concluded, pursuant to §30-19.1:4 of the Code of Virginia, that the impact of the proposed legislation on state-responsible (prison) bed space cannot be determined. In such cases, Chapter 552, 2021 Acts of Assembly, Special Session I, requires that a minimum impact of \$50,000 be assigned to the bill.

The provisions of this bill may also increase the bed space needs in jails. According to the VCSC, not enough information is available to reliably estimate the increase in jail population as a result of this proposal. However, any increase in jail population will increase costs to the state. The Commonwealth currently pays the localities \$4.00 a day for each misdemeanor or otherwise local-responsible prisoner held in a jail. It also funds a portion of the jails' operating costs, e.g. correctional officers. The state's share of these costs varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2021), the estimated total state support for local jails averaged \$37.58 per inmate, per day in FY 2020. The Commonwealth pays localities \$12.00 a day for any state-responsible prisoner held in a local jail.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Forensic Science, Courts, Department of Agriculture and Consumer Services, Cannabis Control Authority, Department of Corrections, local and regional jails

- 10. Technical Amendment Necessary:** No

- 11. Other Comments:** None