

**Fiscal Impact**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2272</b>
<b>Version:</b>	<b>ENGR</b>
<b>Author:</b>	<b>Sen. Murdock</b>
<b>Date:</b>	<b>03/30/2021</b>

**Fiscal Analysis**

The initial window during which an unrestricted number of licenses and license vouchers may be issued would likely result in a temporary surge in the number of commercial license applications submitted, resulting in the need for additional temporary staff. By capping the number of licenses available thereafter, application and renewal fees collected could reduce dramatically over time. Specifically, OMMA currently licenses over 10,000 combined growers, processors, and dispensaries, which are renewed annually. Both application and renewal fees are \$2,500 and equate to \$25 million annually in application and renewal fees. Under this bill, the collective cap for growers, processors, and dispensaries is 8,000, which would limit these collections to \$20 million when numbers fall to the set cap.

The demand for a licensure voucher at a higher one-time cost is unknown and is likely to increase total collections in the short-term before license totals drops to the set caps. Vouchers will not result in renewal fee collections unless/until converted to an active license. Under this bill, application fees and renewal fees would be directed to the state's general fund rather than to OSDH funds, substantially impacting the agency's funding. The transfer of license vouchers would result in additional workload to OMMA staff to review qualifications of new ownership, even though the transfer review fees collected by OMMA for this purpose would be redirected to the general fund under this bill.

The fee paid to the Oklahoma Tax Commission for a license voucher transfer is a new fee that may generate new funds for the state that are directed to the General Fund. The requirement to create a license voucher, which does not currently exist, would require updates to the OMMA licensing system that would result in development costs from our vendor in addition to personnel time. The cost would depend on the amount of software development required to achieve this new license type and would require an estimate from our licensing vendor. Monitoring of the license cap, additional processing for monitoring distance between dispensaries, and the "active status" of licensees as defined in this bill would require additional personnel to monitor and likely additional software updates as well.

**FY'22 Impact:** See comments

**Full Year Impact:** See comments

Prepared by: Oklahoma Medical Marijuana Authority