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Office

H.B. 60
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 60's Bill Analysis](#)

Version: As Passed by the House

Primary Sponsors: Reps. Brent and Seitz

Local Impact Statement Procedure Required: No

Jamie Duskocil, Fiscal Supervisor

Highlights

- Likely annual gain in registration fee revenue credited to the Medical Marijuana Control Program Fund (Fund 5SY0) for persons enrolling in the Ohio Medical Marijuana Control Program Patient & Caregiver Registry. In the first year, the estimated revenue gain is around \$43,000, and likely to grow in subsequent years as the number of registrants increase.
- 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 the State 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 utilizing existing staffing levels and appropriated funds.

Detailed Analysis

The bill adds “autism spectrum disorder” to the list of conditions eligible for treatment with medical marijuana under the Ohio Medical Marijuana Control Program (MMCP). Adding the condition will make 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 registration fees with the MMCP Patient & Caregiver Registry and increased sales tax revenue from the purchase of medical marijuana.

Three state agencies administer the MMCP: the Board of Pharmacy, the Medical Board, and the Department of Commerce. Program expenses incurred by the Department of Commerce are expected to be unaffected by the bill, as their role is limited to licensing, administering,

monitoring, and the development and enforcement of rules for medical marijuana cultivators, processors, and testing laboratories.

Patient and caregiver registration

On December 3, 2018, the Board of Pharmacy activated the MMCP Patient & Caregiver Registry and, as of December 2021, 231,165 patients and 26,443 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.¹

The cost of a medical marijuana registration is \$50 for patients and \$25 for caregivers, and are subject to annual renewal. Patients who qualify for indigent or veteran status may be eligible for fee reductions. The fees are credited to Fund 5SY0 to be then used by the Board of Pharmacy and the Department of Commerce to administer the MMCP.

As of December 2021, 0.37% of qualifying patients in Michigan were using medical marijuana for the condition of autism (in January 2021, the rate was 0.21%). Applied to Ohio's total registered users, this would equal approximately 850 patients with autism as a qualifying condition, some of whom may already be registered with another condition.² If Ohio's experience were to mirror Michigan's, annual medical marijuana registration revenues from the addition of autism would be about \$43,000.³ In subsequent years, the additional amounts collected are likely to increase as more patients are added to Ohio's registry over time and as the use of medical marijuana becomes more prevalent as a treatment for autism, as shown by the increase in Michigan (0.21% in CY 2021 to 0.37% in CY 2022).

The Board of Pharmacy should be able to absorb any associated costs associated with the increased number of registered 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 the end of FY 2021, there were 667 active Certificates to Recommend (CTR) medical marijuana. The State Medical 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.

¹ 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 one qualifying medical condition, (2) register with the MMCP Patient & Caregiver Registry including the required fee, and (3) purchase medical marijuana from a dispensary licensed by the Board of Pharmacy.

² $231,165 \times 0.37\% = 855$ patients.

³ [Michigan Marijuana Regulatory Agency Monthly Report](#), December 2021, which may be accessed on the Michigan Marijuana Regulatory Agency's website: michigan.gov/mra.

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 taxing jurisdiction of a county or transit authority. If the number of registrants increases, revenue in the form of taxes will also increase commensurately. The state sales tax rate is 5.75%. Permissive county and transit authority sales tax rates vary (up to 1.5% for a county and up to 1% for a transit authority).

As of December 2021, the year-to-date sales figures reported by the MMCP were as follows:

- Plant Material – 73,738 lbs.;
- Units of Manufactured Product – 6,545,223;
- Total Product Sales – \$649.8 million.