

**FISCAL NOTE
PRIVATE COST**

- I. Department Title: Department of Health and Senior Services
Division Title: Division of Cannabis Regulation
Chapter Title: Marijuana**

Rule Number and Title:	19 CSR 30-100-1.040 Consumers, Qualifying Patients, and Primary Caregivers
Type of Rulemaking:	Proposed

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
126,711 new annually	Patients	\$9,503,325 for the first three year period and \$3,167,775 annually thereafter
58,829	Patient Card Renewals	\$1,470,720 in 2023 and starting again in 2026 every year thereafter
3,170	Caregivers	\$237,750 for the first three year period and \$79,250 annually thereafter
967	Caregiver renewal	\$24,175 in 2025 and annually year thereafter
13,575 new annually + 13,575 renewals after December 2025.	Patient cultivators (license type includes both licenses issued to patients or their designated caregiver)	\$2,036,250 for the first three year period and \$678,750 for annually thereafter
126,711	Patient Physician Forms (for 2023 and 2025 and annually thereafter)	\$38,013,300 for 2023 and 2025 and \$19,006,650 yearly thereafter
26,136 in the first year, 53,000 in the second, 118,800 new annually by year three	Consumer cultivators	\$25,020,800 for the first three year period and \$11,800,000 annually thereafter
Total =		\$64,426,325 for the first three year period and \$35,927,320 for annually thereafter

III. WORKSHEET

Patients and Patient Caregivers

126,711 new patient cards x \$25 for patient identification card = \$3,167,775 for three year license.

58,829 patient card renewals (starting December 2025) x \$25 for patient identification card renewal = \$1,470,720 for three year license renewal.

3,170 new caregiver cards x \$25 = for caregiver identification card = \$79,250 for three year license.

967 caregiver card renewals (starting December 2025) x \$25 for caregiver identification card renewal = \$24,175 for three year license renewal.

126,711 patients x \$150 for physician certification form = \$19,006,650 for three year certification.

Thirteen thousand five hundred and seventy-five (13,575) X \$50 for patient cultivation identification card (includes patient and caregiver) = \$678,750 for three-year license.

Thirteen thousand five hundred and seventy-five (13,575) X \$50 for patient cultivation identification card renewal (starting December 2025) = \$678,750 for three-year license.

Twenty-six thousand one hundred and thirty six (26,136) eligible Missourians X \$100 for consumer cultivation identification card are projected to apply in year one for a one-year license = \$2,613,000.

One hundred-eighteen thousand and eight hundred (118,800) eligible Missourians X \$100 for consumer cultivation identification card are projected to apply for a one-year license by year three = \$11,880,000.

Thirteen thousand and sixty-eight (13,068) consumer cultivator X 100 for consumer identification card renewal in year two = \$1,306,800 and thirty-nine thousand six hundred (39,600) X 100 for consumer identification card renewal in year three = \$3,960,000.

IV. ASSUMPTIONS

Each patient or caregiver, who chooses to apply to the department for authorization to purchase and possess medical marijuana will be charged an application fee in the amount of twenty-five (25) dollars. If that individual also applies for authorization to cultivate medical marijuana, he or she or their designated caregiver will be charged an application fee of fifty (50) dollars. If individuals choose to renew their authorizations, they will be charged these fees again at the time of their application for renewal. On December 8, 2022, amendment 3 changes were effective, which changed patient, caregiver, and patient cultivator licenses from a one year to a three year issuance.

As of November 30, 2022, there were 205,897 active patients. Approximately 46% of active patients renew their license during their first renewal period. The department issues an average of 126,711 new patient licenses per year. Renewals will begin December 2025, and the department estimates approximately 58,829 renewals annually, thereafter.

126,711 new patient licenses X \$25 = \$3,167,775 annually plus \$1,470,720 annually (after December 2025).

Approximately 2.5% of patients elect to have a designed caregiver, who must apply for licensure. The department projects issuing 3,170 new caregiver licenses annually. Approximately, 30% of caregivers renew their license. Renewals will commence after December 2025, and the departments estimates 967 renewals annually, thereafter.

3,170 new caregiver licenses X \$25 = \$79,250 annually plus \$24,175 annually (after December 2025).

Patient cultivation identification cards are issued to either the patient or the patient's designated caregiver. These are three-year licenses. On average, 27,150 patient cultivator licenses are issued annually with approximately 25,735 of those issued to the patient and 1,415 issued to the caregiver. Approximately half of issued licenses are renewals.

In addition to application fees, patients or their designate caregiver, who are authorized to cultivate medical marijuana will incur costs to comply with regulations in this rule regarding secure cultivation areas. There are not reliable estimates for what it will cost any particular individual to comply with the regulations as there are many way to comply, and in addition to that, as mentioned above, there are no estimates for the number of patient/caregiver cultivators the department should expect.

Using the national survey data and benchmarks of the medical program, consumer cultivators are estimated to be 26,136 the first year and 118,800 by year three. Consumer cultivators are licensed for one year. If this population's behavior mimics the patient cultivator's then approximately half will renew their license. It is estimated there will be 13,068 renewals in year two and 39,600 renewals in year three.

The final private cost required by this regulation is the cost of obtaining a physician certification from a physician or nurse practitioner for the medical use of marijuana. The department is estimating the cost to patients for such visits based on anecdote and media reports, which indicate visits can cost between \$50 and \$250, with an average of \$150.