

# OFFICE OF FISCAL ANALYSIS

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sSB-893

AN ACT CONCERNING A PILOT PROGRAM FOR HEMP  
PRODUCTION.

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## ***OFA Fiscal Note***

### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 20 \$</b>	<b>FY 21 \$</b>
Department of Agriculture	GF - Cost	188,108	200,868
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	96,040	102,409
Ag. Experiment Station	GF - Cost	45,055	47,748

Note: GF=General Fund

***Municipal Impact:*** None

### ***Explanation***

The bill requires the Department of Agriculture (DoAg) to adopt regulations establishing an industrial hemp pilot program in accordance with federal law.

The pilot program established under the bill must study the growth, cultivation, and marketing of industrial hemp, and ensure that hemp growth and cultivation is done only at sites certified by, and registered with, DoAg. The bill requires the plant to have a delta-9 tetrahydrocannabinol (THC) concentration of not more than 0.3 percent on a dry weight basis.

The bill results in costs to DoAg of \$188,108 in FY 20 and \$200,868 in FY 21 to hire two Agricultural Marketing and Inspection

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<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.19% of payroll in FY 20 and FY 21.

Representatives and a Fiscal/Administrative Assistant. It also results in costs of \$45,055 in FY 20 and \$47,758 in FY 21 to the Agricultural Experiment Station (AES) to hire a laboratory Technician to perform the THC testing required under the bill's provisions. There are additional costs of \$96,040 in FY 20 and \$102,409 in FY 21 for associated fringe benefits for the four new positions required to implement the bill's provisions.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.