

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

House Bill 923 (Delegate Elliott)

Environmental Matters

Referred to Economic and Environmental Affairs

---

Health Occupations - Pharmacies

---

This amended bill requires a person to hold a “pharmacy permit” before dispensing prescription drugs or devices via U.S. mail or other carrier to State residents in the normal course of business. There are current law penalties applicable to permit holders; violators are guilty of a misdemeanor and subject to a maximum fine of \$1,000 and/or maximum imprisonment of one year.

Current law requires only pharmacies to hold a pharmacy permit.

---

Fiscal Summary

**State Effect:** Indeterminate increase in general fund revenues as discussed below. Potential minimal increase in general fund expenditures due to the applicable penalty provision.

**Local Effect:** Potential minimal increase in revenues and expenditures due to the applicable penalty provision.

---

Fiscal Analysis

**State Revenues:** The existing annual fee for a pharmacy permit is \$150. Assuming that existing laws would exclude physicians, podiatrists, and dentists from these provisions, this bill would primarily require permits to be held by companies or individuals doing pharmaceutical business by mail.

The Board of Pharmacy reports that they have no way of knowing how many such mail order entities currently exist. However, assuming that there are 50 nationwide attempting to or doing business in Maryland, general fund revenues are estimated to increase by \$7,500 annually (\$150 x 50).

General fund revenues could also increase under the applicable monetary penalty provision

for those cases heard in the District Court, depending upon the number of convictions and fines imposed.

**State Expenditures:** General fund expenditures could increase as a result of the applicable incarceration penalty due to increased payments to counties for reimbursement of inmate costs, depending upon the number of convictions and sentences imposed.

Persons serving a sentence of one year or less are sentenced to a local detention facility. The State reimburses counties for part of the per diem rate after a person has served 90 days. State per diem reimbursements are estimated to range from \$10 to \$48 per inmate, depending upon the jurisdiction. Persons sentenced in Baltimore City are incarcerated in the Baltimore City Detention Center (BCDC), a State operated facility. The per diem cost for fiscal 1997 is estimated at \$43 per inmate.

**Local Revenues:** Revenues could increase under the applicable monetary penalty provision for those cases heard in the circuit courts, depending upon the number of convictions and fines imposed.

**Local Expenditures:** Expenditures could increase as a result of the applicable incarceration penalty depending upon the number of convictions and sentences imposed. Counties pay the full cost of incarceration for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Per diem operating costs of local detention facilities are expected to range from \$19 to \$96 per inmate in fiscal 1997.

---

**Information Source(s):** Department of Health and Mental Hygiene (Board of Pharmacy and Board of Physician Quality Assurance), Department of Public Safety and Correctional Services, Department of Fiscal Services

**Fiscal Note History:** First Reader - February 26, 1996  
ncs Revised - House Third Reader - March 14, 1996

---

Analysis by: Guy Cherry  
Reviewed by: John Rixey

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 841-3710  
(301) 858-3710