

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 1318 (Chairman, Health and Government Operations Committee)
 (By Request – Departmental – Health and Mental Hygiene)

Health and Government Operations

Judicial Proceedings

**Controlled Dangerous Substances, Prescriptions, and Other Substances -
Registration of Manufacturers, Distributors, and Dispensers**

This departmental bill authorizes the Department of Health and Mental Hygiene (DHMH) to provide for staggered renewal periods for the registration of manufacturers, distributors, and dispensers of controlled dangerous substances. A registration may not be renewed for more than two years. DHMH must adopt regulations to govern the transition to the new expiration date for registrants.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: General fund revenues from registration fees would decrease in FY 2006 and 2007 as the transition to a staggered renewal system is implemented, due to pro-ration of fees in those years. Because DHMH has not yet fully developed a transition plan, any such decrease cannot be reliably estimated at this time. The bill would enable DHMH to more effectively process and document registration renewals.

Local Effect: None.

Small Business Effect: DHMH has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Bill Summary: The regulations must provide for the assessment of registration renewal fees that take into account the period between the former expiration date and the new expiration date; the fees must be consistent with existing fee schedules.

Current Law: DHMH is directed to control specified controlled dangerous substances. Except under specified conditions, a person must be registered by DHMH before the person manufactures, distributes, or dispenses a controlled dangerous substance in the State. DHMH is authorized to charge reasonable fees relating to the registration and control of the manufacture, distribution, and dispensing of controlled dangerous substances. Under current regulations, the registration fee is \$60. A registration expires two years after its effective date.

Background: According to DHMH, the bill is necessary to remedy an audit finding that internal control over the processing of controlled dangerous substances permits and the related cash receipts was not adequate. The auditors recommended that: (1) an employee independent of the permit fee collection verify that all recorded fees are deposited; (2) an employee independent of the permit processing functions verify, prior to issuance, that permits are issued to only qualified applicants and that a fee has been collected and deposited; and (3) deposit verifications and permit issuances be documented. Currently, there are only two administrative positions responsible for processing over 13,000 registration renewals annually during a three-month period prior to the expiration date of June 30. By providing for staggered renewals, the bill would spread out the workload for DHMH staff and allow for improved services to registrants.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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n/jr

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