

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1590 (Delegate Corderman, *et al.*)
 Health and Government Operations and
 Environment and Transportation

Natalie M. LaPrade Medical Cannabis Commission – Qualifying Patients –
 Identification Cards and Motor Vehicle Administration Records

This bill requires a qualifying patient who is issued an identification card by the Natalie M. LaPrade Medical Cannabis Commission to either (1) carry the card when in public and surrender the card to any uniformed law enforcement officer who demands the card or (2) elect to include in the patient’s Motor Vehicle Administration (MVA) record that the qualifying patient has a card and inform any law enforcement officer who demands the card that information about the card is available electronically through MVA. MVA must keep a record of this information and make it available electronically to any law enforcement officer in the State.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by \$232,500 in FY 2019 for staff and programming costs; out-years reflect annualization and ongoing staff costs. General fund expenditures increase by \$10,000 in FY 2019 only for programming costs. Revenues are not affected.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	10,000	0	0	0	0
SF Expenditure	232,500	58,600	52,000	53,900	55,900
Net Effect	(\$242,500)	(\$58,600)	(\$52,000)	(\$53,900)	(\$55,900)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not materially affect local finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law:

Maryland's Medical Cannabis Program

The Natalie M. LaPrade Medical Cannabis Commission is responsible for implementation of the State's medical cannabis program, which is intended to make medical cannabis available to qualifying patients in a safe and effective manner. The program allows for the licensure of growers, processors, and dispensaries and the registration of their agents, as well as registration of independent testing laboratories and their agents. There is a framework to certify health care providers (including physicians, dentists, podiatrists, nurse practitioners, and nurse midwives), qualifying patients, and their caregivers to provide qualifying patients with medical cannabis legally under State law via written certification.

The commission must develop identification cards for qualifying patients and caregivers. The Maryland Department of Health is responsible for adopting regulations that establish identification card requirements, including information that must be on the cards, the method for distribution, and the method for tracking the cards. Additionally, a certifying provider must provide each written certification to the commission, at which point, the commission *must* issue an identification card to each qualifying patient or caregiver named in the certification.

However, Maryland regulations *authorize* qualifying patients to apply for an identification card, but qualifying patients are not required to do so. To obtain a card, qualifying patients must apply on a form provided by the commission and include a clear current photograph, a specified proof of identity, and a \$50 fee. Regulations require identification cards to contain specified identifying information, the expiration date, and a current photograph. Regulations establish a \$100 fee for replacement cards for qualifying patients and caregivers.

Motor Vehicle Administration Records

MVA must keep a record of each driver's license application it receives, each driver's license it issues, and each licensee whose license to drive has been suspended or revoked as well as the reasons for the action.

State Fiscal Effect: The commission advises that special fund expenditures increase by approximately \$1.56 million in fiscal 2019, and annually thereafter, to issue additional identification cards to qualifying patients under the bill. This estimate assumes that approximately 62,400 new patients register with the program each year and the cost to print

each new card is \$25. The commission also estimates that special fund revenues increase by \$3.12 million from the additional cards issued to qualifying patients and caregivers under the bill.

The Department of Legislative Services (DLS) disagrees that there is any material fiscal impact on the commission since the commission is currently statutorily required to issue an identification card to each qualifying patient or caregiver named in a written certification. Thus, the bill does not establish any new requirements for the commission. Costs to issue identification cards to qualifying patients and caregivers have already been accounted for in previous fiscal and policy notes and analyses of regulations. DLS notes that the commission’s current per card cost estimate is significantly higher than previous estimates. In 2014, the commission estimated that the per card cost was approximately \$4. The commission also previously expressed intent to only charge qualifying patients and their caregivers for replacement cards.

TTF expenditures for MVA increase by \$232,502 in fiscal 2019, which accounts for the bill’s October 1, 2018 effective date. This estimate reflects the cost of hiring one permanent and one contractual full-time customer agent to record and maintain an electronically available record of qualifying patients. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses, including contractual programming costs and training costs for customer agents. The information and assumptions used in calculating the estimate are stated below:

- The initial workload in the first year is significantly higher than in out-years, since an estimated 200 to 400 new qualifying patients are applying for registration on a daily basis.
- In out-years, there will be a lower rate of new applications and the workload can be handled by the one permanent customer agent.
- At least one permanent customer agent is needed on an ongoing basis to handle new qualifying patients and renewals, which occur every two years.

Permanent Position	1
Contractual Position	1
Salaries and Fringe Benefits	\$62,034
One-time Programming Costs	159,750
Other Operating Expenses	<u>10,718</u>
Total FY 2019 TTF Expenditures	\$232,502

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses and termination of the contractual employee in fiscal 2020.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

General fund expenditures for the Department of Public Safety and Correctional Services' Information, Technology, and Communications Division also increase by \$10,000 in fiscal 2019 only for programming costs to change the department's database to allow the system to accept a new field on individual's driving records.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore, Carroll, Harford, Montgomery, and Queen Anne's counties; Maryland Department of Health; Department of Public Safety and Correctional Services; Department of State Police; Maryland Department of Transportation; Department of Legislative Services

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mm/jc

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