

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 7, 2015

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1212 by Price (Relating to the designation and regulation of abusable synthetic substances, the emergency scheduling of certain controlled substances, the prosecution and punishment of certain offenses involving a controlled substance or controlled substance analogue, and the offense of falsification of drug test results.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1212, As Engrossed: a negative impact of (\$2,379,000) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$2,379,000)
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2016	(\$2,379,000)
2017	\$0
2018	\$0
2019	\$0
2020	\$0

Fiscal Analysis

The bill would amend the Health and Safety Code to authorize the Commissioner of Health at the Department of State Health Services (DSHS) to designate a commodity as an abusable synthetic substance, which would be regulated in the same manner as other commodities under Chapter 431 of the Health and Safety Code. The bill would authorize the Commissioner of Health to emergency schedule a substance as a controlled substance in certain circumstances. The bill would classify certain substances as a controlled substance and controlled substance analogue.

Methodology

The Department of Public Safety (DPS) indicates that implementing provisions of the bill related to the emergency scheduling of a substance would cost \$2.4 million in General Revenue and All Funds for fiscal year 2016. Implementation would require the agency to purchase equipment that costs \$183,000 per unit for each of its 13 drug testing laboratories. DPS would also need to purchase drug reference standards. It is assumed that costs related to the purchase of drug reference standards could be absorbed by the agency.

DSHS indicates that any activities related to the designation of a commodity as an abusable synthetic substance, the emergency scheduling of a substance as a controlled substance, and related enforcement activities could be reasonably absorbed within existing resources.

The manufacture, distribution, and retail sale of abusable synthetic substances would be sanctioned under Section 431.059 of the Health and Safety Code, which provides that a first offense is a Class A misdemeanor, and a second offense is a state jail felony. Persons who abuse the substances would be sanctioned under Section 481.119 of the Health and Safety Code, which provides that an offense is a Class A or B misdemeanor, depending upon the circumstances. No significant impact to state correctional populations is expected from the bill.

Technology

DPS indicates there would be technology costs for system modifications. It is assumed that these costs could be absorbed by the agency.

Local Government Impact

The bill would modify misdemeanor offenses. Changes in costs associated with enforcement, prosecution, and confinement are not anticipated to have a significant fiscal impact. Changes in revenue from fines imposed and collected are not anticipated to have a significant fiscal impact.

Source Agencies: 405 Department of Public Safety, 537 State Health Services, Department of

LBB Staff: UP, NB, WP, ADe, VJC, JPo, RC