

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 30, 2025

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2308 by Parker (Relating to the establishment of a consortium to conduct United States Food and Drug Administration's drug development clinical trials with ibogaine to secure the administration's approval of the medication's use for treatment of opioid use disorder, co-occurring substance use disorder, and any other neurological or mental health conditions for which ibogaine demonstrates efficacy and to the administration of that treatment.), **Conference Committee Report**

The fiscal implications of the bill cannot be determined due to the unknown cost related to the funding needs required to conduct the drug development trials.

The bill would establish a consortium to apply for Health and Human Services Commission (HHSC) selection to conduct drug development trials with ibogaine to secure the United States Food and Drug Administration's (USDA) approval of ibogaine as a medication for treatment of opioid use disorder, co-occurring substance use disorder, and any other neurological or mental health condition for which ibogaine demonstrates efficacy. The consortium would be required to select a lead institution of higher education from the consortium's members to represent the consortium and perform administrative functions. The lead institution of higher education selected would also be required submit a proposal and request for funding to HHSC to conduct the ibogaine drug development clinical trials. The proposal must verify that the consortium has capacity to contribute toward the cost of developing ibogaine treatment at an amount of funding to fully match state funding with funds received from non-state sources. HHSC would be required to select a consortium to conduct the clinical trials and enter into an interagency contract to provide funding to implement the clinical trials. The bill would allocate revenue attributable to all intellectual property rights and other commercial rights arising from the drug development trials at an amount of not less than 20.0 percent to the state and the remainder to the consortium members.

HHSC would require appropriations to fund the consortium's clinical trials, but the cost of such funding is unknown at this time. It is also unknown what the cost would be at the selected institution of higher education related to employing administrative, clinical, and data management personnel.

Revenue received from intellectual property rights that would be allocated to the state is indeterminate and would be dependent on the drug development trials.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JMc, CMA, ER, SB, NPe, SD, NV