



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:	
HB0955 - Legalize psilocybin use for PTSD/mental illness treatment (Cohenour, Jill)	
Status:	As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$1,755,000	\$0	\$0	\$0
State Special Revenue	\$294,804	\$290,421	\$294,307	\$298,257
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$294,804	\$290,421	\$294,307	\$298,257
Net Impact-General Fund Balance:	<u>(\$1,755,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 955 legalizes psilocybin for the therapeutic use of certain mental health conditions. The Department of Revenue (DOR) would be responsible for certification of patients, licensing of providers, and recordkeeping and reporting on the program. DOR would require an additional 3.00 FTE to implement and administer this bill as well as a one-time operating expense for contracted information technology services.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

1. HB 955 legalizes psilocybin for the therapeutic use of certain mental health conditions. The DOR would be responsible for creating rules relating to certification of patients, licensing of providers, recordkeeping and reporting on the program.
2. The individuals required to be licensed or certified under this bill include cultivators, manufacturers, distributors, clinicians, facilitators, technicians and patients. The DOR would create licenses and set license fees for everyone involved. The license fee revenue would be deposited in a new therapeutic psilocybin state special revenue account and would be used by the department to administer and implement this bill.

3. This bill requires the department to add new license types and the associated fees to the integrated revenue information system and it is estimated that these processes would take nine months of contracted services and cost \$1,755,000 in FY 2024.
4. The department would be responsible for the licensing and rulemaking associated with this bill, but not required to conduct inspections, or to track and test any product. With these requirements, the department would require 2.00 FTE licensing specialists and 1.00 FTE lawyer to handle anticipated rule making and legal opinions associated with implementing the program. Total costs for these 3.00 FTE would be \$294,804 in FY 2024, \$290,421 in FY 2025, \$294,307 in FY 2026, and \$298,257 in FY 2027. These costs are expected to be covered by the license fee revenue generated by this bill.
5. For this fiscal note, it is assumed that the license fees would be set by the department with the intent that the revenue would be sufficient to cover the costs associated with the additional FTE requested to implement the program. Therefore, license fee revenue collections are assumed to be \$300,000 per year in order to cover the FTE costs above, and the one-time IT costs are assumed to be funded through the general fund.

Department of Health and Human Services (DPHHS)

6. HB 955 does not have a fiscal impact to DPHHS or its operations. Psilocybin is still a schedule 1 drug on the federal level so it will not qualify for Medicaid.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	3.00	3.00	3.00	3.00
<u>Expenditures:</u>				
Personal Services	\$260,130	\$264,330	\$267,727	\$271,173
Operating Expenses	\$1,789,674	\$26,091	\$26,580	\$27,084
TOTAL Expenditures	<u>\$2,049,804</u>	<u>\$290,421</u>	<u>\$294,307</u>	<u>\$298,257</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$1,755,000	\$0	\$0	\$0
State Special Revenue (02)	\$294,804	\$290,421	\$294,307	\$298,257
TOTAL Funding of Exp.	<u>\$2,049,804</u>	<u>\$290,421</u>	<u>\$294,307</u>	<u>\$298,257</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$294,804	\$290,421	\$294,307	\$298,257
TOTAL Revenues	<u>\$294,804</u>	<u>\$290,421</u>	<u>\$294,307</u>	<u>\$298,257</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,755,000)	\$0	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date