
Detailed Fiscal Analysis

The bill modifies the scope of practice of pharmacists and generally updates the laws pertaining to the practice of pharmacy and drugs, including adding pharmacists acting on behalf of the Department of Rehabilitation and Corrections to those granted immunity from civil or criminal claims arising from dispensing of a drug based upon established formulas. Furthermore, in the House reported version of the bill, a \$5 licensing fee is assessed to professional associations, corporations, partnerships, and limited liability companies organized for practicing veterinary medicine and that distribute dangerous drugs.

Effects of the bill

The bill generally has no apparent direct fiscal effect on the state or local governments. However, a couple of provisions in the bill make changes that are worth noting, although the impact of the provisions is negligible. They are (1) elimination of the exemption from registration of specific individuals who distribute dangerous drugs, and (2) depositing of fines in the Drug Law Enforcement Fund (Fund 4A5).

Persons permitted to sell drugs at wholesale and retail

The bill eliminates the exemption that applies to physicians, podiatrists, dentists and veterinarians, from registration with the State Board of Pharmacy to possess dangerous drugs for sale at wholesale, which currently exists for any person who possesses such drugs for sale. The Pharmacy Board charges a registration fee of \$150. The elimination of the exemption would generate little or no revenue, as there are very few individual practitioners in the state and according to the Board, most individual practitioners, have always opted to be registered. In fiscal year 1997, the Pharmacy Board registered 234 practitioner corporations, 24 individual practitioners and 1,058 clinics in the state as wholesale distributors of dangerous drugs.

Veterinarian Licensing Requirements

As part of the "as reported by House Health, Retirement, and Aging" version of the bill, a \$5 registration fee is assessed on associations, corporations, partnerships, or limited liability companies organized for the practice of veterinary medicine and that distribute dangerous drugs. According to a representative of the Board of Pharmacy, there are currently an indeterminate number of the corporate practices described in bill voluntarily registered and pay a fee of \$150. Under the provisions of the bill, fees paid by these firms would be reduced to \$5. Although the bill is expected generate additional revenue from those firms not registering voluntarily, the net result of the assessment of the \$5 fee could be either a potential gain or loss in 4K9 revenues. Furthermore, by increasing the number of licensees, the bill would also generate a definite, but indeterminate increase in 4K9 expenditures related to additional processing and enforcement costs.

Fine revenues from controlled substances

The bill provides that fines collected under prosecutions of violators of the state's controlled substances laws are to be deposited into the Pharmacy Board's, Drug Law

Enforcement Fund (Fund 4A5) instead of the Occupational Licensing and Regulatory Fund (Fund 4K9). This would shift fine revenues between these funds. Fine revenues are difficult to estimate as the courts determine them. However, revenues of \$850 in FY 1994, \$550 in FY 1995, and \$1,300 in FY 1996 would have been shifted from Fund 4K9 to Fund 4A5 had the law existed in those years.

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