

FISCAL NOTE
Requested by Legislative Council
01/21/2021

Bill/Resolution No.: SB 2209

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$486,000		\$972,000
Expenditures				\$300,000		\$700,000
Appropriations				\$0		\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The legislation requires the Board of Pharmacy to develop plans for approval and implement a drug importation model consistent with Federal law. The work to create and potentially contract with drug wholesaler(s) to implement the model will be the largest expense along with the need to add staff.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 2 outlines the responsibilities of the Board to implement a program which represents the expenditures Section 3 outlines the license fee increases for the Board to offset the expenditures of which can be determined by the Board up to \$1000 per year.

A plan would need to be approved Federally prior to implementation which may affect the timing of potential fiscal impacts.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The legislation provides the ability to raise license fees on certain business types licensed under the state's wholesaler statutes to offset costs. It is important to note that there is variability given to raise the fees "up to" \$1000 per year from the existing \$400 yearly fee. The Board would exercise discretion in the raising of fees to only cover the cost of implementing and operating a drug importation program. The fiscal note represents an increase of each category to the maximum of \$1000 (\$600 increase) which affects 810 currently licensed facilities (810 x \$600 = \$486000/year)

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The expenditures are extremely difficult to determine based on very limited ability to understand the fiscal costs of implementing an importation model to which no state has a working program. We utilized the knowledge of Florida issuing an RFP for bids at 30 million to implement an importation program. Based on population differences (21.7 million vs 760000), we estimated a similar cost to be nearly \$1,000,000 total for the state of North Dakota. Again, given the limitation on time to research and generate a fiscal note, this is our best estimation.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The Board of Pharmacy is not eligible for appropriations and are self sustaining based on license fees.

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