21.0953.03000

FISCAL NOTE
Requested by Legislative Council
03/23/2021

Amendment to: Engrossed HB 1501

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						
Expenditures						
Appropriations						

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).*

Engrossed HB 1501 with Senate Amendments imposes a gross receipts tax and an excise tax on marijuana and adult-use cannabis products.

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 1 of engrossed HB 1501 with Senate Amendments imposes a fifteen percent gross receipts tax on the sale of usable marijuana and adult-use cannabis products. Twenty percent of this revenue must be transferred to the city or county in which the dispensary is located.

This section also imposes a ten percent excise tax on the sale from a manufacturer to a dispensary located in this state.

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.*

Engrossed HB 1501 with Senate Amendments, if enacted, is contingent upon the 67th Legislative Assembly passing HB 1420. It is not known if this will occur. Additionally, the consumption and value of adult-use cannabis products that may be purchased for use in the state and subject to the tax provisions set forth in this bill is also unknown.

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.*

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.*

Name: Kathryn Strombeck

Agency: Office of Tax Commissioner

Telephone: 701-328-3402

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