

## Department of Planning and Budget 2014 Fiscal Impact Statement

**1. Bill Number: SB 594**

|                 |                                     |              |                          |            |                                     |           |
|-----------------|-------------------------------------|--------------|--------------------------|------------|-------------------------------------|-----------|
| House of Origin | <input type="checkbox"/>            | Introduced   | <input type="checkbox"/> | Substitute | <input checked="" type="checkbox"/> | Engrossed |
| Second House    | <input checked="" type="checkbox"/> | In Committee | <input type="checkbox"/> | Substitute | <input type="checkbox"/>            | Enrolled  |

**2. Patron: Obenshain**

**3. Committee: Health, Welfare and Institutions**

**4. Title: Synthetic cannabinoids**

**5. Summary:**

Dried herbs sprayed with one of numerous chemical compounds commonly referred to as synthetic cannabinoids, when smoked, create a high similar to marijuana. However, synthetic cannabinoids, also known as synthetic marijuana, K2, spice, or Mr. Smiley, can have numerous side effects that are not traditionally associated with marijuana, including rapid heart rate and seizures. Currently, most of the criminal penalties associated with possession and distribution of synthetic cannabinoids parallel the penalties established for offenses involving marijuana.

The proposed legislation would add synthetic cannabinoids or synthetic marijuana, to the list of Schedule I controlled substances. Under current law, all offenses involving Schedule I or II drugs are felonies. Under the proposed legislation, criminal penalties relating to synthetic cannabinoids would thereby become felonies, with the exception of certain possession offenses. The legislation specifies possession of synthetic cannabinoids, except by inmates, would be a Class I misdemeanor.

The proposed legislation also contains provisions that would affect the Board of Pharmacy:

- Establishes a new procedure for the board to follow in amending its regulations to place a substance on Schedule I or II of the Controlled Substances Act.
- Amends the Drug Control Act to provide that a “controlled substance” includes a “controlled substance analog”, which is defined as “a substance the chemical structure of which is substantially similar to the structure of a controlled substance in Schedule I or II” and meets certain other specified criteria.

**6. Budget Amendment Necessary:** No. The introduced budget (Item 385) includes funding for the fiscal impact of this legislation.

**7. Fiscal Impact Estimates:** Preliminary. See Item 8 below.

**Expenditure Impact:**

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Fund</i> |
|--------------------|----------------|-------------|
| 2015               | \$66,663       | General     |
| 2016               | \$0            |             |
| 2017               | \$0            |             |
| 2018               | \$0            |             |
| 2019               | \$0            |             |
| 2020               | \$0            |             |

**8. Fiscal Implications:**

The proposed legislation could result in an increase in the need for prison beds because it would make penalties for the selling or distribution of synthetic cannabinoids the same as the penalties for selling or distributing Schedule I drugs, which are greater than the current penalties relating to synthetic cannabinoids. For example, selling or distributing synthetic cannabinoids is a Class 6 felony, which is punishable with a sentence of up to 12 months in jail or up to five years in prison. In contrast, selling or distributing a Schedule I substance is punishable by a sentence of 5 to 40 years in prison. In addition, there are additional felony offenses applicable to Schedule I substances that are not currently applicable to synthetic cannabinoids.

Pursuant to §30-19.1:4 of the Code of Virginia, the Virginia Criminal Sentencing Commission estimates a fiscal impact of \$66,663 (the highest annual cost over the next six years). The amount is based on the projection that the legislation will result in two additional inmates being incarcerated in prison.

There is not expected to be any fiscal impact on the Board of Pharmacy resulting from the proposed legislation.

**9. Specific Agency or Political Subdivisions Affected:**

Department of Corrections  
Local and regional jails.  
Board of Pharmacy

**10. Technical Amendment Necessary:** None.**11. Other Comments:** None.

**Date:** 2/14/2014

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