

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: HB2428H2

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Wilt

3. Committee: House Committee for Courts of Justice

4. Title: Marijuana advertising restrictions

5. Summary: The substitute bill makes it a Class 1 misdemeanor to advertise in or send any advertising matter into the Commonwealth regarding marijuana or marijuana products or any substance containing a synthetic tetrahydrocannabinol unless the advertisement (i) is for a product that may be legally sold in the Commonwealth under Article 4.2 (§ 54.1-3442.5 et seq.) or Article 5 (§ 54.1-3443 et seq.) of the Drug Control Act or (ii) concerns the treatment of addiction or substance abuse or is part of a public health awareness campaign.

6. Budget Amendment Necessary: Indeterminate

7. Fiscal Impact Estimates: Preliminary (see Item 8 below)

8. Fiscal Implications: According to the Virginia Cannabis Control Authority (“CCA”), the substitute bill is not expected to have a material fiscal impact on agency resources.

However, the bill makes it a Class 1 misdemeanor to advertise marijuana and marijuana products to persons who are of legal age under the provisions of the Cannabis Control Act or regulations of the CCA Board.

Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail and a fine of not more than \$2,500, either or both. There is not enough information available to reliably estimate the increase in jail population as a result of this proposal. However, any increase in jail population will increase costs to the state. The Commonwealth currently pays the localities \$4.00 a day for each misdemeanant or otherwise local-responsible prisoner held in a jail. It also funds a large portion of the jails’ operating costs, e.g. correctional officers. The state’s share of these costs varies from locality to locality. However, according to the Compensation Board’s most recent Jail Cost Report (November 2022), the estimated total state support for local jails averaged \$40.39 per inmate, per day in FY 2021.

9. Specific Agency or Political Subdivisions Affected: Cannabis Control Authority,
Department of Corrections, local and regional jails

10. Technical Amendment Necessary: No

11. Other Comments: None