

## Department of Planning and Budget

### 2008 Fiscal Impact Statement

**1. Bill Number** SB 397

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

**2. Patron** Edwards

**3. Committee** Courts of Justice

**4. Title** Methamphetamine precursors; electronic log

**5. Summary/Purpose:** Requires that the log currently required to be maintained by sellers of products containing ephedrine, pseudoephedrine, or any of their salts or isomers or any salts of isomers must be kept in electronic format. The Board of Pharmacy is required to establish and maintain the log and ensure that the log is capable of checking compliance against all state, local and federal laws, including interfacing with other states to ensure comprehensive compliance.

**6. Fiscal Impact is Unknown (see item 8)**

**7. Budget amendment necessary:** No. The Department of Health Professions will require additional revenue (i.e. fee increase) and appropriation to support this legislation; however, the actual cost cannot be determined at this time. Additional appropriation can be provided once costs are determined and fees are set.

**8. Fiscal implications:** As introduced, this legislation would have a significant impact on the Department of Health Professions and specifically on the Board of Pharmacy. If the sale of methamphetamine precursors is not limited to pharmacies, it is not possible to estimate costs because there is no tracking system anywhere in the United States for retail sales that include all types of commercial establishments.

If sales were limited to pharmacies (all pharmacies already have computers and software for reporting and sending data), there is some precedence in another state for costs. The department estimates that the startup cost for the Board of Pharmacy would be about \$105,000 for licensing, \$30,000 for customization and training, and \$80,000 for hardware purchase (cost figures were obtained from the contractor who worked with Oklahoma).

These cost estimates do not include any on-going expenses such as systems maintenance, administrative or enforcement activities. It is estimated that the board would need at least one additional full-time position to manage the tracking system. It is assumed that the costs for this activity would be borne by the Board of Pharmacy. If so, it would necessitate an increase in fees that could be as high as 40 to 50 percent for entities regulated by that board.

**9. Specific agency or political subdivisions affected:**

Department of Health Professions

**10. Technical amendment necessary:** No

**11. Other comments:** None

**Date:** 01/22/08

**Document:** G:\2008 Fiscal Year\08 Session\Fis\Sb397.Doc

cc: Secretary of Health and Human Resources