



March 4, 2019

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S.D. SEC. OF STATE

Hon. Steve Barnett
Secretary of State
500 E Capitol Avenue
Pierre, SD 57501

Dear Secretary Barnett:

This office received an initiated measure to decriminalize marijuana. The fiscal note examined the cost of prison and jail incarceration for those convicted of crimes related to marijuana possession or distribution, the costs associated with the Department of Agriculture having to regulate marijuana, including hiring up to 15 employees, and the state Medicaid costs associated with 5-6% more vehicle crashes, as has been found in several states decriminalizing marijuana, when compared to neighboring states.

The initiated measure requires a fiscal note because it was determined that it may have an impact on the revenues, expenditures, or fiscal liability of the state or its agencies and subdivisions. SDCL 2-9-31 requires that said fiscal note be no longer than fifty "words." Therefore, numbers do not count against the fifty-word limit.

Enclosed is a copy of the initiated measure, in final form, that was submitted to this office on January 3, 2019. In accordance with SDCL 2-9-31, I hereby submit the Legislative Research Council's fiscal note with respect to this initiated measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Hancock". The signature is fluid and cursive, with a large initial "J" and "H".

Jason Hancock
Director

Enclosures

CC: John Dale

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

FISCAL NOTE

INITIATED MEASURE

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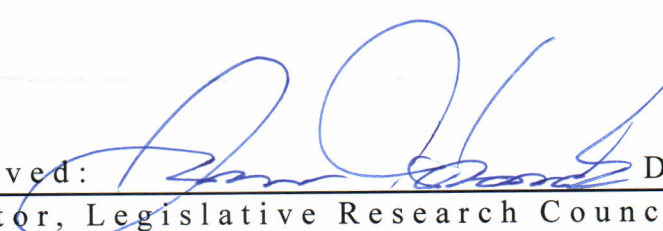
S.D. SEC. OF STATE

AN INITIATED MEASURE TO LEGALIZE MARIJUANA AND PARAPHERNALIA FOR CERTAIN PEOPLE, AND TO MAKE OTHER CHANGES TO STATE LAW REGARDING MARIJUANA.

Decriminalizing marijuana would save \$3,150,000 in prison costs and \$1,500,000 in jail costs, based primarily on 2018 data.

It would also, however, cost \$1,500,000 for the state to regulate, and would increase state Medicaid costs by \$50,000, due to increased vehicle crashes.

The net impact is \$3,100,000 in savings.

Approved: 

Date: 3/4/19

Director, Legislative Research Council