



August 15, 2023

Hon. Monae L. Johnson
Secretary of State
500 E Capitol Avenue
Pierre, SD 57501

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AUG 17 2023

SD Secretary of State

Dear Secretary Johnson,

The Legislative Research Council received an initiated measure to repeal the medical cannabis chapter. The initiated measure requires a fiscal note because it was determined it may have an impact on revenues, expenditures, or the fiscal liability of the state or its agencies and subdivisions. SDCL 2-9-30 requires the fiscal note be no longer than fifty words.

The fiscal note examines the fiscal impact associated with repealing the medical cannabis chapter through this initiated measure. The fiscal impact to the State should result in a net zero change, because SDCL 34-20G-72(9) requires the total fees collected shall generate revenues sufficient to offset all expenses of implementing the medical cannabis chapter and states the fees charged shall be no greater than the costs. In fiscal year 2023, the Department of Health collected approximately \$1.7 million in fee revenue and incurred expenses of approximately \$1.4 million.

Enclosed is a copy of the initiated measure, in final form, that was submitted to this office. 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 that reads "Reed Holwegner".

Reed Holwegner
Director

Filed this 17th day of
August 2023

A handwritten signature in black ink that reads "Monae L. Johnson".

SECRETARY OF STATE

Cc: Travis Ismay
Enclosures

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

FISCAL NOTE

INITIATED MEASURE

AN INITIATED MEASURE TO REPEAL MEDICAL CANNABIS.

By repealing the medical cannabis chapter, the State could lose \$1.7 million in fee revenue and reduce expenditures by \$1.4 million.

Approved: Reed Adewegun Date: August 15, 2023

Director, Legislative Research Council

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S.D. SEC. OF STATE

Filed this 17th day of
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Monae L. Johnson

SECRETARY OF STATE