150th GENERAL ASSEMBLY
FEE IMPACT

BILL:	**HOUSE BILL NO. 110**
SPONSOR:	**Representative Osienski**
DESCRIPTION:	**AN ACT TO AMEND TITLE 4, 16, AND 30 OF THE DELAWARE CODE CREATING THE DELAWARE MARIJUANA CONTROL ACT.**

In accordance with 29 Del. C. §913, the following information is provided relating to licenses and fees.

Description of the Legislation:

This Act, known as the Delaware Marijuana Control Act, regulates and taxes marijuana in the same manner as alcohol. It allows adults over the age of 21 to legally possess and consume under 1 ounce of marijuana for personal use. Additionally, this Act creates a Marijuana Regulation Fund (the "Fund") which would consist of any imposed fees, taxes, and civil penalties.

Licensee applications will be accepted ten months after the effective date of this Act. Licenses may be issued as determined by the Marijuana Commissioner (the "Commissioner") eleven months after the effective date of this Act. All licenses are valid for two years and fees are paid on a biennial basis. This Act further defines the number of licenses to be issued based on the type of marijuana establishment as follows:

Retail Marijuana Store License – A retail marijuana store licensee shall pay $10,000 biennially. The Commissioner shall issue no more than 15 retail marijuana store licenses 16 months after the effective date of this Act, provided enough qualified applicants exist.

Marijuana Testing Facility License – A marijuana testing facility licensee shall pay $10,000 biennially. The Commissioner shall issue no more than 5 marijuana testing facility licenses 16 months after the effective date of this Act, provided enough qualified applicants exist.

Marijuana Cultivation Facility License – A marijuana cultivation facility licensee shall pay an application fee biennially as outlined in the table below. The Commissioner shall issue no more than 50 marijuana cultivation facility licenses 12 months after the effective date of this Act, provided enough qualified applicants as defined in the Act exist.

Indoor facility equal to or less than 2,500 square feet or an outdoor facility that is equal to or less than 1 acre	$2,500
Indoor facility equal to or between 2,501 and 7,500 square feet or for an outdoor facility that is equal to or between 1.1 and 2.5 acres	$5,000
Indoor facility equal to or between 7,501 and 10,000 square feet or for an outdoor facility that is equal to or between 2.6 and 5 acres	$7,500
Indoor facility equal to or greater than 10,001 square feet or an outdoor facility that is equal to or greater than 5.1 acres	$10,000

Marijuana Product Manufacturing Facility License – A marijuana product manufacturing facility licensee shall pay $10,000 biennially. The Commissioner shall issue a total of 30 marijuana product manufacturing facility licenses, of which, ten may be issued within 13 months of the effective date of this Act, and twenty may be issued within 15 months after the effective date of this Act, provided enough qualified applicants exist.

Special License for Sunday – Biennial license fee of $500 for the issuance of a special license to sell marijuana and marijuana products on Sundays, which is in addition to any other license fees which may be required of the holder.

Transfer License Fee – A non-refundable $5,000 transfer fee is required for the transfer of any marijuana establishment license that may be adjusted annually for inflation.

Affected Entities:

The Department of Safety and Homeland Security, Division of Alcohol and Tobacco Enforcement (DATE)[1], Division of Forensic Science, Delaware State Police; Department of Finance, Division of Revenue; Department of Agriculture; Department of Natural Resources and Environmental Control; Department of State, Division of Small Business, Public Integrity Commission; Delaware Judicial Branch, Superior Court; Department of Health and Social Services, Division of Public Health, Division of Substance Abuse and Mental Health; Department of Human Resources, Division of Diversity and Inclusion; Delaware Criminal Justice Information System; Office of the State Treasurer; and the Auditor of Accounts.

Fiscal Impact:

Revenues generated by these fees would not be received until a minimum of ten months after this Act is signed into law. Fiscal estimates of revenues generated by these fees assume that the Commissioner has enough qualified applicants and is able to issue the entire number of licenses within the time frames as defined by the type of marijuana establishment in this Act. The number of licensees that will apply to sell on Sundays or how many marijuana establishments may file to transfer a license is indeterminable.

Fiscal Year 2021:	$345,000
Fiscal Year 2022:	$407,500
Fiscal Year 2023:	$345,000

Intended Use of Revenue:

Revenues generated must be placed into the Fund and are intended to support the administrative costs and expenses of the Commissioner, the DATE, including payroll and other employment costs. Any remainder shall be appropriated as determined by the General Assembly.

Prepared by Jason R. Smith
Office of the Controller General

[1] Renamed to the Division of Alcohol, Marijuana, and Tobacco Enforcement upon passage of House Bill No. 110 or similar legislation of the 150th General Assembly.