

HF4099 - 0 - Relocation, Change of Ownership Fees Established

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 Committee: **Health Finance And Policy**
 Date Completed: **3/4/2024 5:57:53 PM**
 Agency: **Pharmacy Board**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Health Related Boards	-	-	(19)	(19)	(19)	(19)
Total	-	-	(19)	(19)	(19)	(19)
Biennial Total			(19)			(38)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Health Related Boards	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Steve McDaniel **Date:** 3/4/2024 5:57:53 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Health Related Boards	-	-	-	(19)	(19)	(19)
Total		-	-	(19)	(19)	(19)
Biennial Total					(19)	(38)
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Health Related Boards	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total					-	-
2 - Revenues, Transfers In*						
Health Related Boards	-	-	-	19	19	19
Total		-	-	19	19	19
Biennial Total					19	38

Bill Description

Specifies that licenses and registrations granted by the Board of Pharmacy are not transferable. Further, clarifies change of ownership and relocation fees for persons registered with or licensed by the Board of Pharmacy.

Assumptions

If enacted, this bill will bring clarity and consistency to the way relocation and changes of ownership applications are handled, they will further define when the increased opiate fee of \$5,000 or \$55,000 is assessed, and they will definitively state in statute, that licenses issued by the Board cannot be transferred. If a licensee makes the business decision to relocate the physical location of the person’s business or changes its ownership, they must submit an application to the Board. If the licensee already remitted payment for their license during the state’s fiscal year, the Board would only charge its operational expense due to the vetting of the application and any onsite inspection. If, however, the application is submitted 60 days prior to the expiration of the license, then the full application fee would be required as this is when the Board opens renewals (60 days prior to a license’s expiration). An increase in appropriation is not necessary as changes in ownership and relocation are not regular or cyclical requests. If enacted, Board staff would be able to absorb.

In calendar year 2023, the Board received 19 change of ownership requests (15 non-resident, 4 in-state). Similarly, in 2023, the Board received 36 relocation requests (29 non-resident, 7 in-state).

Expenditure and/or Revenue Formula

Estimates:

25 change-in-ownership or relocations from manufacturers or wholesaler X \$500 (operational fee) = \$12,500

15 change-in-ownership or relocations from pharmacies X \$400 (operational fee) = \$6,000

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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Date: 3/4/2024 8:29:09 AM

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