



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0468 Introduced on February 23, 2017
Author: Campbell
Subject: Industrial Hemp Cultivation and Regulation
Requestor: Senate Agriculture and Natural Resources
RFA Analyst(s): Stein and Gardner
Impact Date: March 29, 2017

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds. All agencies contacted report that the bill imposes no additional or significant responsibilities on them.

Explanation of Fiscal Impact

Introduced on February 23, 2017

State Expenditure

This bill creates the industrial hemp program designed to encourage agricultural production of industrial hemp. The bill clarifies definitions to distinguish industrial hemp from marijuana. The bill encourages institutions of higher education to conduct research and pilot programs with growers and to work in conjunction with the Department of Agriculture to identify new market opportunities for industrial hemp growers. The bill provides guidelines for growers and states that industrial hemp products intended for human consumption (i.e., ingested or topically applied) must be tested by an independent testing laboratory. Anyone who manufactures, distributes, or purchases marijuana in a manner intended to disguise it as hemp is guilty of a misdemeanor and upon conviction may be imprisoned for up to three years or fined up to three thousand dollars, or both. This provision is unchanged from existing law, and therefore, does not have an expenditure impact.

Department of Agriculture. The department reports that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds. The bill requires the department to

identify solutions for applications and new market opportunities for industrial hemp growers. The additional responsibilities will be accomplished utilizing existing resources.

Public Institutions of Higher Education. The Commission on Higher Education surveyed the state's research institutions (Medical University of South Carolina, Clemson University, SC State University, and the University of South Carolina) for the impact the bill would have on expenditures. Since the bill is permissive rather than mandating research or pilot programs, this bill is not expected to have any expenditure impact on the General Fund or Federal Funds. Other Funds may be impacted once cannabinoid research programs are established, but the amount of expenditures is undetermined at this time.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director