

CORRECTIONS IMPACT STATEMENT

SESSION: 17RS

BILL #: HB 467 Introduced

BR #: 1237

DOC ID#: BR123700.100 - 1237 - XXXX

BILL SPONSOR(S): Rep. J. Kay

AMENDMENT SPONSOR(S):

SUBJECT: AN ACT relating to taxation of prescription opioids and making an appropriation therefor.

SUMMARY OF LEGISLATION: Create new sections of KRS Chapter 142 to impose a tax of one cent per dose on opioids distributed in Kentucky; define relevant terms; allocate tax revenues with sixty percent to the newly created addiction and neonatal addiction care fund, fifteen percent to the newly created opioid drug task force fund, fifteen percent to the newly created drug courts fund, and ten percent to the newly created opioid education fund; require registration for all persons distributing opioids in Kentucky; impose misdemeanor penalty for noncompliance; authorize the Department of Revenue to promulgate administrative regulations.

This bill amendment committee substitute is expected to:

Have the following Corrections impact Have no Corrections impact

- | | |
|--|--|
| <input checked="" type="checkbox"/> Creates new crime(s) | <input type="checkbox"/> Repeals existing crime(s) |
| <input type="checkbox"/> Increases penalty for existing crime(s) | <input type="checkbox"/> Decreases penalty for existing crime(s) |
| <input type="checkbox"/> Increases incarceration | <input type="checkbox"/> Decreases incarceration |
| <input type="checkbox"/> Reduces inmate/offender services | <input type="checkbox"/> Increases inmate/offender services |
| <input type="checkbox"/> Increases staff time or positions | <input type="checkbox"/> Reduces staff time or positions |
| <input type="checkbox"/> Changes elements of offense for existing crime(s) | |
| <input type="checkbox"/> Otherwise impacts incarceration (Explain) _____ | |

STATE IMPACT: Class A, B & C felonies are based on an average daily prison rate of \$66.82. Most Class D felons are housed in one of 76 full service jails for up to 5 years. DOC's cost to incarcerate a felony inmate in a jail is \$31.41 per day (includes jail per diem, medical & central office costs), not including substance abuse treatment. Projections are based on the daily rate x 365 x number of years.

Projected Impact: NONE MINIMAL MODERATE SIGNIFICANT

Creates no new felonies.

LOCAL IMPACT: Local governments are responsible for the cost of incarcerating individuals charged with Class A or B misdemeanors and felony defendants until disposition of the case. While the expense varies by jail, this estimated impact will be based on \$31.34 per day, which equals the per diem and medical that DOC pays jails to house felony offenders.

Projected Impact: NONE MINIMAL MODERATE SIGNIFICANT

Potential Impact:

This legislation imposes a tax on wholesale opioid distributors and mail order pharmacies. The legislation also requires a license as specified by this bill for individuals to distribute or dispense opioids. Any person who distributes or dispenses opioids without obtaining a license or after a license has been suspended or revoked shall be guilty of a Class A misdemeanor with a \$500 fine. Each opioid dose distributed shall be considered a separate violation and is in addition to other penalties imposed.

The legislation also provides a Class A misdemeanor penalty for an individual or agency who fails to file required tax returns or remit required tax payments, or who falsifies or alters documents associated with the license. This penalty shall be in addition to civil penalties.

The legislation outlines allocations for the taxes collected under the bill, to include treatment programs.

The creation of Class A misdemeanors would cause the county jail to be fiscally responsible for the care and custody of that individual. While information is not available regarding how many people might be convicted under these new misdemeanor offenses, increase to incarceration is expected to be minimal.

A Class A misdemeanor is 90 days to 1 year in jail
1 Class A misdemeanor: \$2,827 to \$11,464

10 Class A misdemeanants: \$28,270 to \$114,640
100 Class A misdemeanants: \$282,700 to \$1,146,400

The following offices contributed to this Corrections Impact Statement:

Dept. of Corrections Dept. of Kentucky State Police Administrative Office of the Courts Parole Board Other

NOTE: Consideration should be given to the cumulative impact of all bills that increase the felon population or that impose new obligations on state or local governments.

APPROVED BY:

Commissioner, Kentucky Department of Corrections

Date