

OFFICE OF FISCAL ANALYSIS

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sHB-6930

AN ACT CONCERNING THE SOCIAL EQUITY COUNCIL'S
RECOMMENDATIONS REGARDING SOCIAL EQUITY PLANS,
STRATEGIC PLANNING, ETHICS, LICENSE RENEWAL FEES AND
FINANCIAL ASSISTANCE APPLICATIONS.

As Amended by House "A" (LCO 7494)

House Calendar No.: 366

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Social Equity Council	CSEIF - Potential Cost	Minimal	Minimal
Resources of the General Fund	GF - Potential Revenue Gain	Minimal	Minimal

Note: CSEIF=Cannabis Social Equity and Innovation Fund; GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes regarding the Social Equity Council (SEC) which result in the following impacts.

Section 1 results in a potential minimal cost to the SEC by requiring council members and staff to complete an ethics training course focused on disproportionately impacted areas and the cannabis industry. The cost may be mitigated to the extent that the Office of State Ethics can provide these services.

This section has no fiscal impact by requiring the SEC to develop a strategic plan and adopt a code of ethics. The SEC can accommodate these requirements within existing resources.

Section 2 results in a potential minimal revenue gain to the General

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Fund by allowing the SEC to approve a sale or change of ownership of a business from one with social equity status to one without social equity status. In such a case, the new licensee without social equity status would no longer be eligible to pay reduced license renewal fees.

Any revenue gain is dependent upon the number of approvals the SEC makes under this provision.

Section 3 has no fiscal impact by requiring the Department of Economic and Community Development and the SEC to approve or deny a completed application for the canna-business revolving loan fund within 120 days after receiving the application.

House “A” has no fiscal impact by (1) modifying the process for which members may be removed from the SEC and (2) modifying the time frame for which SEC policies and procedures remain in effect.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and subject to the number of approved licensee status changes.