

OFFICE OF FISCAL ANALYSIS

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sSB-970

AN ACT CONCERNING CANNABINOIDS, HEMP AND HEMP PRODUCTS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Consumer Protection, Dept.	GF - Cost	329,000	322,000
Department of Agriculture	GF - Cost	256,554	106,554
State Comptroller - Fringe Benefits ¹	GF - Cost	167,966	167,966
Department of Revenue Services	Various - Revenue Gain	Potential	Potential

Note: GF=General Fund; Various=Various

Municipal Impact: None

Explanation

The bill makes various changes regarding cannabinoids, hemp, and hemp products resulting in the costs and revenue gains described below.

Costs:

The bill results in a cost of \$299,932 in FY 26 and an annual cost of \$149,932 beginning in FY 27 to the Connecticut Agricultural Experiment Station (CAES). The bill incorporates CAES into the testing process of various hemp products and requires CAES to report on the products it

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

tests.

The CAES does not currently have the staff to complete the requirements contained within the bill and would require two new full-time Agricultural Research Technicians with an annual salary of \$53,277 and corresponding fringe benefits of \$21,689, for an annual cost of \$148,932. Additionally, in FY 26 CAES would require \$150,000 in laboratory equipment and supplies to complete the testing.

The bill also expands on the manufacturing and extraction techniques allowable for cannabis products, expands the amount of high-THC hemp products, and allows out-of-state hemp products to be produced in the same facility as in-state products resulting in a cost to the state. To meet the requirements of these sections the Department of Consumer Protection (DCP) will need to hire three additional employees for a salary and other expenses cost of \$329,000 in FY 26 and \$322,000 in FY 27, along with annual associated fringe benefit costs of \$124,588. The new employees are needed to help conduct inspections which will become more complicated and time consuming due to the manufacturing of out-of-state products and the expansion of high-THC hemp products.

Revenue Gain:

The bill results in a potential revenue gain to the state by modifying the regulations regarding hemp products. To the extent that the changes in this bill result in an increase in hemp sales in the state, there will be an increase in sales tax revenue from those sales. Any increase will depend upon the demand for hemp products and not a shift in sales from other similar products.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases and inflation.