## Local Government Mandate Statement Kentucky Legislative Research Commission 2024 Regular Session

## **Part I: Measure Information**

Bill Request #:
Bill #: SB 337
<b>Document ID #:</b> <u>7257</u>
Bill Title: AN ACT relating to medicinal cannabis and declaring an emergency.
Sponsor: Senator Stephen West
Unit of Government: X City X County   Multiple of Government: X City X Urban-County   Unified Local Unified Local Unified Local Unified Local
$\underline{\mathbf{X}}$ Charter County $\underline{\mathbf{X}}$ Consolidated Local $\underline{\mathbf{X}}$ Government
Office(s) Impacted: Local Governments; Law Enforcement
Requirement: X Mandatory Optional
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing

## Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

**Section 10** prohibits local governments from prohibiting cannabis business operations within its territory after the Cabinet for Health and Family Services has issued a license to a cannabis business to conduct cannabis business operations within that territory.

Sections 11 to 26 repeal and reenact KRS Chapter 218B in order to hasten the effective date of those acts from January 1, 2025 to the passage of SB 337 into law.

The expected fiscal impact of SB 337 is indeterminable, though likely positive. The bill mandates the legality of cannabis businesses holding licenses from the Cabinet for Health and Family Services, likely leading to some cost reductions. This includes decreased reliance on law enforcement resources for enforcing local statutes against cannabis sales. Moreover, licensed cannabis sales could decrease the illegal cannabis market, further reducing the need for law enforcement involvement. Additionally, local governments that would have otherwise banned cannabis businesses stand to gain tax

revenues. Accelerating the implementation of statutes legalizing medicinal cannabis would enhance these effects in the short term.

## **Data Source(s):** <u>LRC Staff</u>

<b>Preparer:</b>	Ryan Brown (JB)	<b>Reviewer:</b>	KHC	Date:	3/6/24
------------------	-----------------	------------------	-----	-------	--------