153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 373**
SPONSOR:	**Representative Heffernan**
DESCRIPTION:	**AN ACT TO AMEND TITLE 4 AND TITLE 16 OF THE DELAWARE CODE RELATING TO ALCOHOL AND MARIJUANA.**

Assumptions:

1. This Act shall become effective 90 days after signature by the Governor.

2. This Act sets forth requirements and restrictions for the manufacture, importation, distribution, taxation, and sale of THC-infused beverages, establishes authorized sales to include package stores, retail marijuana stores, and microbreweries, authorizes manufacturers and other entities to operate in Delaware, and establishes manufacturing and product requirements. Additionally, this Act establishes an "infused beverage endorsement" and application and renewal fees for the endorsement, as well as a rate of tax and reporting requirements for infused beverages.

3. The Department of Finance, Division of Revenue (Division), projects that it will need to make one-time technology enhancement changes to its alcohol tax form to comply with the reporting requirements and for the payment of tax for the infused beverages. The Division estimates this to be a one-time cost of $50,000.

4. The Department of Health and Social Services, Division of Public Health (DPH), is likely to experience an additional volume of testing in future years as a result of this Act. It is assumed that laboratory upgrades and additional personnel will be needed to accommodate the testing of THC-infused beverages. While the specific scope and associated costs of these upgrades and personnel needs cannot be determined at this time, it is assumed that sufficient funding will be available through the Marijuana Regulation Fund to support implementation.

5. This Act expands the responsibilities of the Office of the Marijuana Commissioner (OMC) related to the licensing, reporting, and oversight of infused beverage activities. Based on the anticipated volume and ongoing administrative requirements associated with endorsement processing, revenue tracking, and coordination with the Division of Revenue, the OMC estimates it would require an additional 1.0 FTE, Fiscal Management Analyst. The recurring Fiscal Year 2027 costs are estimated at $74,940, and one-time costs are estimated at $7,300 and are as follows:

    a. Recurring Costs – $74,940 in Fiscal Year 2027 personnel costs, including OECs (at a rate of 33.41%), for 1.0 FTE, Fiscal Management Analyst.

    b. One-Time Costs – $7,300 for computers, office furniture, and other supply startup costs for the new position.

6. The Fiscal Year 2027 personnel costs have been estimated for nine months of funding, with the annualization of the remaining three months incorporated into the subsequent year estimates. Additionally, a 2% inflation cost has been included for projected increases in salary and OECs.

7. As this Act creates the lawful sale of infused beverages, the application for an infused beverage endorsement, and levies fees and taxes under Title 4, Chapter 13 of the Delaware Code (the

Marijuana Control Act), and credits all revenues to the Marijuana Regulation Fund (MRF), it is assumed that associated administrative costs and expenses will be expended from the MRF.

Cost:

	One-Time Marijuana Regulation Fund (Appropriated Special Fund)	Ongoing Marijuana Regulation Fund (Appropriated Special Fund)
Fiscal Year 2027:	$57,300	$74,940
Fiscal Year 2028:		$101,349
Fiscal Year 2029:		$103,345

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