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FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/12

SPONSOR Maestas LAST UPDATED _____ HB 289

SHORT TITLE Meth Manufacturing Prevention Technology SB _____

ANALYST Sánchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$85.0	\$85.0	\$170.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB296 and HB93
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received

None

SUMMARY

Synopsis of Bill

House Bill 289 appropriates \$500 thousand from the general fund to the Department of Public Safety to contract with a supplier of electronic data technology and equipment of the collection and sharing between retail pharmacies and the department of secured pseudoephedrine purchase information at the point of sale, including verified identity details, and central database storage to prevent methamphetamine manufacturing.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended balance remaining at the end of 2014 shall revert to the general fund.

The bill calls for data technology and equipment, which will necessitate ongoing maintenance, support and updates from the supplier. The industry standard is between 15 and 20 percent of initial cost. The Department of Public Safety's budget would have to be augmented each year by about \$85 thousand to continue to maintain, support and update the software to address the requirements of this bill. Additionally, in not more than five years, new equipment to house the software and data would be needed. Since no data is available as to the number of servers needed for this project, the amount cannot be determined at this time with certainty, however it will be greater than \$10 thousand.

SIGNIFICANT ISSUES

The Legislative Finance Committee, Department of Finance and Administration and the Department of Information Technology require that all IT projects be submitted with a detailed business case that includes ongoing support costs. This project was not part of any requests made for funding in FY13.

ADMINISTRATIVE IMPLICATIONS

Funding an IT project outside without well thought out plan circumvents the established process for fully vetting IT projects and potentially competes for funding with those projects recommended in Section 7 of the General Appropriation Act.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is related to House Bill 93 (Synthetic Cannabinoid as Controlled Substance) and House Bill 296 (Crime of Drug Precursor Possession).

TECHNICAL ISSUES

Under accounting rules, state government no longer uses "unencumbered" in appropriations.

ALTERNATIVES

Work with the Department of Public Safety to prepare a thorough business case for the September 1st submissions so that it may compete against all other IT projects for funding.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

No central database available to law enforcement and retail pharmacies to detect the sale and purchase of chemicals used in the manufacture of methamphetamines.

ABS/amm