

FISCAL NOTE
Requested by Legislative Council
01/18/2017

Amendment to: HB 1156

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2015-2017 Biennium | | 2017-2019 Biennium | | 2019-2021 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2015-2017 Biennium | 2017-2019 Biennium | 2019-2021 Biennium |
|------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

see attachment

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

see attachment

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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**WORKFORCE SAFETY & INSURANCE
2017 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION**

BILL NO: Engrossed HB 1156

BILL DESCRIPTION: Medical Marijuana

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its actuarial firm, Bickerstaff, Whatley, Ryan & Burkhalter Consulting Actuaries, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation defines medical marijuana for workers' compensation purposes, prohibits payment for medical marijuana, and prohibits wage loss payments if they are in any way related to the use of medical marijuana.

FISCAL IMPACT:

Legalization of medical marijuana introduces new workplace and insurance challenges. Even though a number of states have legalized medical marijuana, at this time marijuana is still illegal under federal law. As a result, courts in states where legalization has occurred are increasingly dealing with contested cases of marijuana in the workplace. Thus, at a minimum, it is expected that WSI will incur increased litigation expenses as a result of the recently passed medical marijuana measure.

We could find no actuarial studies relating to legalization of medical marijuana and workers' compensation coverage. The proposed bill exempts WSI from paying for the medical marijuana itself and wage loss benefits "if the wage loss is related to the use or presence of medical marijuana". If the exemptions are not enacted, or if they are overturned by the courts, then it is expected that numerous injured employees will qualify for its use. In either event, WSI would incur the cost of the drug. Further, as injured employees use medical marijuana, then test positive thereby preventing return to work after a work related injury, the duration and amount of wage loss benefits will likely increase. The increase in benefits could be material depending on the pervasiveness of use.

DATE: January 18, 2017