

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3031H.01I
Bill No.: HB 1465
Subject: Pharmacy; Drugs and Controlled Substances; Business and Commerce;
Professional Registration and Licensing
Type: Original
Date: March 24, 2025

Bill Summary: This proposal modifies provisions relating to the licensure of entities involved in the distribution of drugs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Board of Pharmacy (0637)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

*The fee to be charged and the number of applicants is unknown. Oversight assumes the revenue generated will be less than \$250,000.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Commerce and Insurance (DCI)** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight notes currently, no person or outlet can act as a wholesale drug distributor, pharmacy distributor, drug outsourcer, or third-party logistics provider without obtaining a license from the Missouri Board of Pharmacy. Oversight assumes this legislation permits the Board of Pharmacy to license out-of-state entities if those entities possess a valid license from another state with comparable standards.

DCI notes the current fees for instate licensees are:

\$360 for Original Pharmacy Distributor/Wholesale Drug, Distributor, Drug Outsourcer, or Third-Party, Logistics Provider License Fee (includes both temporary and permanent license)

\$540 for Pharmacy Distributor/Wholesale Drug Distributor/Drug Outsourcer or Third-Party Logistics Provider License Renewal Fee

Although the current “in-state” fee is known, the number of out-of-state licenses that could be issued and the fee that will be charged to the new licensees is unknown. **Oversight** will reflect a \$0 (no new licenses are issued) to Unknown revenue to the Board of Pharmacy Fund (0637). Oversight assumes the revenue generated (if any) will be less than \$250,000.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
BOARD OF PHARMACY FUND (0637)			
<u>Revenue</u> – DCI License Fee	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT TO THE BOARD OF PHARMACY FUND	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

*The fee to be charged and the number of applicants is unknown. Oversight assumes the revenue generated will be less than \$250,000.

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Currently, no person or outlet can act as a wholesale drug distributor, pharmacy distributor, drug outsourcer, or third-party logistics provider without obtaining a license from the Missouri Board of Pharmacy. Temporary licenses can be granted while an application is being processed. Separate licenses are required for each distribution site. The Board can permit out-of-state entities to be licensed in Missouri if they possess a valid license from another state with comparable standards and if the other state offers reciprocal treatment to Missouri entities. This bill provides that if a state license is not issued by the out-of-state wholesale drug distributor's resident state, out-of state wholesale drug distributors and third-party logistics providers with a current and valid drug distributor accreditation from the National Association of Boards of Pharmacy or its successor may be eligible for the license.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance



Julie Morff
Director
March 24, 2025



Jessica Harris
Assistant Director
March 24, 2025