

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6525**

**BILL NUMBER: HB 1068**

**DATE PREPARED:** Dec 4, 1998

**BILL AMENDED:**

**SUBJECT:** Regulation of ephedrine products.

**FISCAL ANALYST:** Ron Sobecki

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides, with certain exceptions, that a product that contains ephedrine may only be dispensed under a physician's or an advanced practice nurse's prescription. The bill provides that ephedrine products that meet certain requirements may be sold without a prescription. It requires the Indiana Board of Pharmacy to adopt standards to determine if an over the counter product that contains ephedrine meets marketing and labeling requirements. It makes violation of the ephedrine requirements a Class B misdemeanor.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** This bill requires the Indiana Board of Pharmacy to adopt standards to determine whether an over the counter product that contains ephedrine meets the marketing and labeling requirements of this bill. There will be some costs in adopting the standards to implement the requirements of this bill. These costs are minimal and can be absorbed in the existing budget.

**Explanation of State Revenues:** This bill creates a Class B misdemeanor for violations of the ephedrine requirements of this bill. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund could increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, county or municipal court (courts of record), 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** If additional court actions occur and a guilty verdict is entered, local

governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Indiana Board of Pharmacy.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**