

Department of Revenue Services

DRS16000

Permanent Full-Time Positions

Fund	Actual FY 23	Actual FY 24	Appropriation FY 25	Governor Recommended		Legislative	
				FY 26	FY 27	FY 26	FY 27
General Fund	593	593	593	602	602	596	596
Cannabis Regulatory Fund	-	7	7	-	-	7	7

Budget Summary

Account	Actual FY 23	Actual FY 24	Appropriation FY 25	Governor Recommended		Legislative	
				FY 26	FY 27	FY 26	FY 27
Personal Services	48,431,719	47,994,787	61,221,998	55,016,204	55,115,172	54,602,016	54,700,984
Other Expenses	5,361,284	4,063,639	5,117,358	4,617,358	4,617,358	4,617,358	4,617,358
Agency Total - General Fund	53,793,003	52,058,426	66,339,356	59,633,562	59,732,530	59,219,374	59,318,342
Personal Services	-	36,892	484,188	-	-	484,188	484,188
Agency Total - Cannabis Regulatory Fund	-	36,892	484,188	-	-	484,188	484,188
Total - Appropriated Funds	53,793,003	52,095,318	66,823,544	59,633,562	59,732,530	59,703,562	59,802,530

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 26	FY 27	FY 26	FY 27	FY 26	FY 27

Policy Revisions

Provide Funding for a Prescription Drug Cost Containment Initiative

Personal Services	32,990	131,958	32,990	131,958	-	-
Total - General Fund	32,990	131,958	32,990	131,958	-	-
Positions - General Fund	2	2	2	2	-	-

Governor

Provide funding of \$32,990 in FY 26 and \$131,958 in FY 27 for two Revenue Agent positions to establish a prescription drug cost containment initiative which limits price increases for generic and off-patent drugs to the annual rate of inflation and authorizing the Department of Revenue Services to levy a civil penalty on manufacturers that raise prices above that threshold. HB 6870, *An Act Addressing Patients' Prescription Drug Costs*, implements the initiative.

Legislative

Same as Governor. Sections 345-347 of PA 25-168, the FY 26 and FY 27 Budget, implement this provision.

Provide Funding for Tobacco Regulation

Personal Services	-	-	70,000	70,000	70,000	70,000
Total - General Fund	-	-	70,000	70,000	70,000	70,000
Positions - General Fund	-	-	1	1	1	1

Background

Sections 1 & 2 of PA 25-166 make (1) detailed written responses by the Department of Revenue Services (DRS) commissioner mandatory upon receipt of written comments regarding cigarette dealer's license renewals, and (2) expanded DRS location suitability hearings for cigarette dealer's license applicants mandatory, rather than optional.

Legislative

Provide funding of \$70,000 in both FY 26 and FY 27 for one position to accommodate the new requirements.

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 26	FY 27	FY 26	FY 27	FY 26	FY 27

Maintain Cannabis Costs in the Cannabis Regulatory Fund

Personal Services	484,188	484,188	-	-	(484,188)	(484,188)
Total - General Fund	484,188	484,188	-	-	(484,188)	(484,188)
Positions - General Fund	7	7	-	-	(7)	(7)
Personal Services	(484,188)	(484,188)	-	-	484,188	484,188
Total - Cannabis Regulatory Fund	(484,188)	(484,188)	-	-	484,188	484,188
Positions - Cannabis Regulatory Fund	(7)	(7)	-	-	7	7

Background

PA 21-1, JSS, *An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis*, legalized recreational cannabis use for adults 21 years of age or older. Recreational cannabis sales began in January 2023.

The Governor's Recommended Budget moves the Cannabis Regulatory Fund (CRF) and the Prevention and Recovery Services Fund (PRSF) expenditures to the General Fund (GF) and the Special Transportation Fund (STF). This affects 11 agencies, 94 positions, and an appropriation of \$12.8 million in FY 26 and FY 27 across the GF and the STF.

Governor

Transfer funding of \$484,188 and seven positions in both FY 26 and FY 27 for cannabis regulation duties from the Cannabis Regulatory Fund to the General Fund.

Legislative

Maintain funding of \$484,188 and seven positions in both FY 26 and FY 27 in the Cannabis Regulatory Fund.

Current Services

Annualize the Cost of Existing Wage Agreements

Personal Services	2,277,028	2,277,028	2,277,028	2,277,028	-	-
Total - General Fund	2,277,028	2,277,028	2,277,028	2,277,028	-	-

Background

The Governor's Recommended Budget provides funding of \$124.4 million in FY 26 and FY 27, across nine appropriated funds, to reflect current wage-related adjustments resulting from existing wage agreements.

Governor

Provide funding of \$2,277,028 in both FY 26 and FY 27 to reflect this agency's increased wage costs.

Legislative

Same as Governor

Adjust Funding to Reflect Current Requirements

Personal Services	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)	-	-
Other Expenses	(500,000)	(500,000)	(500,000)	(500,000)	-	-
Total - General Fund	(9,500,000)	(9,500,000)	(9,500,000)	(9,500,000)	-	-

Governor

Reduce funding by \$9.5 million in FY 26 and FY 27 to reflect current agency requirements.

Legislative

Same as Governor

Totals

Budget Components	Governor Recommended		Legislative		Difference from Governor	
	FY 26	FY 27	FY 26	FY 27	FY 26	FY 27
FY 25 Appropriation - GF	66,339,356	66,339,356	66,339,356	66,339,356	-	-
Policy Revisions	517,178	616,146	102,990	201,958	(414,188)	(414,188)
Current Services	(7,222,972)	(7,222,972)	(7,222,972)	(7,222,972)	-	-
Total Recommended - GF	59,633,562	59,732,530	59,219,374	59,318,342	(414,188)	(414,188)
FY 25 Appropriation - CRF	484,188	484,188	484,188	484,188	-	-
Policy Revisions	(484,188)	(484,188)	-	-	484,188	484,188
Total Recommended - CRF	-	-	484,188	484,188	484,188	484,188

Positions	Governor Recommended		Legislative		Difference from Governor	
	FY 26	FY 27	FY 26	FY 27	FY 26	FY 27
FY 25 Appropriation - GF	593	593	593	593	-	-
Policy Revisions	9	9	3	3	(6)	(6)
Total Recommended - GF	602	602	596	596	(6)	(6)
FY 25 Appropriation - CRF	7	7	7	7	-	-
Policy Revisions	(7)	(7)	-	-	7	7
Total Recommended - CRF	-	-	7	7	7	7