

### Fiscal Estimate - 2017 Session

Original                       Updated                       Corrected                       Supplemental

<b>LRB Number</b> <b>17-2273/1</b>	<b>Introduction Number</b> <b>SB-119</b>	
<b>Description</b> growing and processing industrial hemp, granting rule-making authority, and making an appropriation		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input checked="" type="checkbox"/> No State Fiscal Effect		
<input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<input type="checkbox"/> Decrease Costs	
<b>Local:</b>		
<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<b>5. Types of Local Government Units Affected</b>		
<input type="checkbox"/> Towns	<input type="checkbox"/> Village	<input type="checkbox"/> Cities
<input type="checkbox"/> Counties	<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Affected Ch. 20 Appropriations</b>		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
UWS/ Tawseef Talukdar (608) 265-8501	Renee Stephenson (608) 263-4422	4/6/2017

## Fiscal Estimate Narratives

UWS 4/6/2017

LRB Number	17-2273/1	Introduction Number	SB-119	Estimate Type	Original
<b>Description</b> growing and processing industrial hemp, granting rule-making authority, and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

Senate Bill 119

1. The bill requires the Wisconsin Crop Improvement Association, in cooperation with the University of Wisconsin-Madison College of Agriculture and Life Sciences (UW-CALS) and the Department of Agriculture, Trade and Consumer Protection (DATCP), to establish and administer a certification program for industrial hemp seed in Wisconsin.

2. This bill permits institutions of higher education to establish an agricultural pilot program to study industrial hemp and to grow hemp for such a pilot program.

3. The bill permits DATCP and UW-CALS to develop a Wisconsin heritage seed for industrial hemp. In doing so, DATCP and UW-CALS may:

- a. Breed, plant, grow, cultivate, and harvest the plant Cannabis.
- b. Use Cannabis seeds from plants that have a delta-9-tetrahydrocannabinol concentration of not more than 1.0 percent.
- c. Collect seeds from wild Cannabis plants.

### Analysis

1. Seed certification in Wisconsin is conducted by the Wisconsin Crop Improvement Association (WCIA). WCIA is an independent not-for-profit corporation. Certification of industrial hemp will be performed by WCIA, and therefore incidental costs will be borne by it. Though UW often works with WCIA, it is not involved in seed certification and thus will not experience a fiscal impact related to this requirement.

2. The bill permits institutions of higher education to establish pilot programs to study industrial hemp. If an institution were to choose to develop such a program, costs would vary based on the how the program is structured and focused. In order to have a meaningful multi-disciplinary hemp research and development program, \$500,000 - \$750,000 would be required per year to allocate to peer-reviewed research proposals.

3. The bill permits DATCP and UW-CALS to develop a Wisconsin heritage seed for industrial hemp. If UW-CALS were to develop a Wisconsin heritage seed for industrial hemp, it would entail a five-year project and require a PhD graduate student. The total cost of the project, including the PhD student, would be \$400,000.

### Conclusion

This bill does not place any mandatory obligations on the UW System. Any fiscal impact will be a result of voluntary actions which are made permissible by this bill. To pursue a pilot program to study industrial hemp, institutions would require \$500,000 - \$750,000 per year. To develop a Wisconsin heritage seed for industrial hemp, UW-CALS would have to undertake a five-year project and require a PhD student at a total cost of \$400,000.

### Long-Range Fiscal Implications