

### Fiscal Estimate - 2019 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>19-1031/1</b>	Introduction Number <b>AB-0154</b>
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**Description**  
 regulating the sale of prescription drugs and other merchandise below cost

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes
  - No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs
  - 2.  Decrease Costs
  - 3.  Increase Revenue
  - 4.  Decrease Revenue
- Permissive  Mandatory
  - Permissive  Mandatory
  - Permissive  Mandatory
  - Permissive  Mandatory
- 5. Types of Local Government Units Affected
  - Towns
  - Counties
  - School Districts
  - Village
  - Others
  - WTCS Districts
  - Cities 0

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</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>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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**Fiscal Estimate Narratives**  
**DATCP 4/11/2019**

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<b>Description</b> regulating the sale of prescription drugs and other merchandise below cost		

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, the Unfair Sales Act or "minimum markup law" prohibits loss leaders or wholesale and retail sales of merchandise at a price below the cost of the merchandise to the seller. This bill eliminates the prohibition on retailers and wholesalers selling prescription drugs for less than the cost of those items to the seller. The bill also eliminates the prohibition on retailers and wholesalers selling merchandise, other than motor vehicle fuel, tobacco products, fermented malt beverages, liquor, or wine, or groceries, for less than the cost of the merchandise to the seller. The bill does not affect the prohibition on below-cost sales of motor vehicle fuel, tobacco products, fermented malt beverages, liquor, or wine, or groceries. The bill also does not affect the minimum markup requirements for sales of motor vehicle fuel, tobacco products, fermented malt beverages, liquor, or wine.

DATCP is the agency primarily responsible for state enforcement of the Unfair Sales Act. Generally, DATCP conducts investigations of alleged Unfair Sales Act violations based on complaints. A relatively small percentage of the complaints that the agency receives relate to items of merchandise that would be excluded from the act under this bill. Therefore, DATCP believes this bill would not have any material fiscal effect on the agency.

**Long-Range Fiscal Implications**

Unknown.