

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-1032/1	Introduction Number AB-0155
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Description
 eliminating minimum markup requirements and the prohibition on sales below cost

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input checked="" type="checkbox"/> Decrease Costs
<input checked="" type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Counties	<input type="checkbox"/> Others <u>0</u>
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
3. <input type="checkbox"/> Increase Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
4. <input type="checkbox"/> Decrease Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.115 (1) (r)	

Agency/Prepared By DATCP/ David Woldseth (608) 224-5164	Authorized Signature Jason Gherke (608) 224-4748	Date 4/11/2019
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Fiscal Estimate Narratives
DATCP 4/11/2019

LRB Number 19-1032/1	Introduction Number AB-0155	Estimate Type Original
Description eliminating minimum markup requirements and the prohibition on sales below cost		

Assumptions Used in Arriving at Fiscal Estimate

Introduction

This bill repeals the Unfair Sales Act, also called the minimum markup law, which prohibits wholesale and retail sales of merchandise at a price below the cost of the merchandise to the seller. For motor vehicle fuels, tobacco products, and alcoholic beverages, the Unfair Sales Act includes formulas for calculating the cost to the seller that add minimum markups from 3 to 9.18 percent to cover a portion of the seller's cost of doing business.

Analysis

This bill would eliminate the two FTE positions responsible for enforcing the provisions of the Unfair Sales Act. Additional work performed by the two FTE correlates with the department's enforcement of responsibilities under s. 100.18 (8) and ATCP 102; therefore, shifts of job duties will be required. Staff time will also be required to amend Ch. ATCP 102, Adm. Code, and repeal Ch. ATCP 105, Adm. Code, due to their statutory references to s. 100.30, Stats., which will be repealed under this proposal.

In FY 19, \$253,000 has been budgeted for enforcement of the Unfair Sales Act. This bill eliminates that funding.

Fiscal Effect

This bill will reduce DATCP enforcement costs as the agency would no longer enforce the Unfair Sales Act. The department cannot predict any increase or decline in the number of consumer complaints. Complaints will be received, but the department would no longer investigate them as it would lack statutory authority. The bill eliminates two FTE positions within the Bureau of Business Trade Practices.

Long-Range Fiscal Implications

Long-range fiscal implications will depend on the impact of the repeal and cannot be predicted with accuracy at this time.

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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Description eliminating minimum markup requirements and the prohibition on sales below cost			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$	\$-193,400	
(FTE Position Changes)		(-2.0 FTE)	
State Operations - Other Costs		-59,600	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$	\$-253,000	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		-253,000	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$-253,000	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	
DATCP/ David Woldseth (608) 224-5164		Jason Gherke (608) 224-4748	
		Date	
		4/11/2019	