

### Fiscal Estimate - 2019 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>19-3999/1</b>	<b>Introduction Number</b> <b>SB-377</b>	
<b>Description</b> marijuana possession, regulation of marijuana distribution and cultivation, medical marijuana, operating a motor vehicle while under the influence of marijuana, requiring the exercise of rule-making authority, granting rule-making authority, making an appropriation, and providing a penalty		
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input checked="" 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 5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445 (1) (n)		
<b>Agency/Prepared By</b> DWD/ Paul Farnum (608) 266-6496	<b>Authorized Signature</b> Danielle Williams (608) 266-2284	<b>Date</b> 9/6/2019

## Fiscal Estimate Narratives

DWD 9/6/2019

LRB Number	19-3999/1	Introduction Number	SB-377	Estimate Type	Original
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### Assumptions Used in Arriving at Fiscal Estimate

SB-377 defines marijuana as a lawful product for purposes of the fair employment law such that, subject to certain exceptions, no person may engage in any act of employment discrimination against an individual because of the individual's use of marijuana off the employer's premises during nonworking hours, and that this offsite use does not constitute misconduct or substantial fault unless termination of the employee is permitted under s. 111.35. Regarding these proposed changes, DWD does not anticipate a fiscal impact.

Additionally, under current law DWD must establish a program to test claimants who apply for UI benefits for the presence of controlled substances, as defined under federal law. If a claimant tests positive for a controlled substance, the claimant may be denied UI benefits, subject to certain exceptions and limitations. The bill excludes THC for purposes of this testing requirement. As such, under the bill, individuals who test positive for THC may no longer be denied UI benefits.

In 2018, there were 9,548 effective UI benefit denial determinations due to misconduct. Of those, approximately 2 percent or about 191 misconduct denial determinations were due to testing positive for THC (marijuana). Those previously denied benefit claims would likely be allowed under the provisions of the proposed bill and thus would have resulted in an increase in total 2018 benefit payments with a net impact to the UI Trust Fund estimated to be \$454,200 (which is not a state appropriation). Accordingly, it is anticipated that this bill would similarly increase total future benefit payments.

Increased UI benefit payments would have a negligible impact on reimbursable state and local government employers. This would impact state appropriations by a negligible amount.

A one-time administrative cost to the UI program is estimated at \$540 which includes updates to forms, publications, websites, handbooks, manuals, and training material. This cost would increase expenditures from a state appropriation.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  A one-time administrative cost to the UI program is estimated at \$540 which includes updates to forms, publications, websites, handbooks, manuals, and training material. This cost would increase expenditures from a state appropriation.		
<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs      Decreased Costs	
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$

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**Date**

9/6/2019