

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-2035/1	Introduction Number SB-052
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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
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> 0 <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <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 type="checkbox"/> SEG <input type="checkbox"/> SEGS	

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Fiscal Estimate Narratives

DATCP 3/19/2019

LRB Number	19-2035/1	Introduction Number	SB-052	Estimate Type	Original
Description 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.