

Fiscal Estimate - 2021 Session

Original Updated Corrected Supplemental

LRB Number 21-5553/1	Introduction Number AB-0846	
Description legalizing recreational marijuana, granting rule-making authority, making an appropriation, and providing a penalty		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input checked="" 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input checked="" type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
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		
Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOT 1/25/2022

LRB Number	21-5553/1	Introduction Number	AB-0846	Estimate Type	Original
Description					
legalizing recreational marijuana, granting rule-making authority, making an appropriation, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill will create some one-time costs for implementation but otherwise will not have a direct fiscal effect on the Department of Transportation. The one-time costs would be approximately \$10,000 in IT expenses to make changes to the Transaction Information of the Management of Enforcement (TIME) system to support enforcement efforts.

In the last 5 years, the Division of State Patrol made 1,307 marijuana-related arrests. It is unknown if those arrests included additional charges which would have led to arrest or detainment regardless of the possession of marijuana. Most marijuana-related arrests made by the Division of State Patrol are initiated after a non-drug related traffic stop. In many cases this is connected to instances of driving under the influence of substances.

This bill by legalizing the possession of certain amounts of marijuana may result in fewer arrests overall. However, any reduction in workload would be distributed amongst all State Patrol Troopers, making the workload reduction seen by any single Trooper negligible.

This bill would legalize the possession of marijuana for state residents and non-residents over 21 years of age and for those with medical circumstances above the age of 18. For Wisconsin residents that maximum amount to legally possess is 2 ounces and for non-residents the maximum is ¼ ounces.

State Patrol estimates issuance of a citation takes 30 minutes, which includes time to search a driving record, confirm with dispatch an exact count of prior offenses, enter the data, and to explain and issue a citation. State Patrol estimates a marijuana-related arrest takes approximately 3.5 hours for transport, testing, and booking. The actual time required per arrest depends on where the arrest occurs, the proximity to a testing facility and booking station, the need for towing the suspect's vehicle, and the proximity of towing services. For each fewer marijuana arrest, the State Patrol would save approximately 3.0 hours of required work allowing for State Troopers to allocate their time on other enforcement tasks.

The Department cannot determine from the available data, the number State Patrol's marijuana-related arrests involved other offenses that would have led to arrest or detainment.

Lacking detailed data, the Department used the 5-year marijuana-related arrest average (1,307) and projected the effect of an arrest reduction of 10% to 20%. Considering the potential number arrests and the amount of time needed for an arrest, a range of 392 hours (0.19 FTE) to 784 hours (0.38 FTE) of work will be eliminated for State Patrol Troopers. Based on the average salary and fringe of a State Patrol Trooper, this is equivalent to between \$22,700 and \$45,400 in salary and fringe annually.

The legalization of marijuana will create some changes in State Patrol's procedures for investigating, citing, and possibly detaining someone found with marijuana. This bill does not require law enforcement officers to undertake new training and the State Patrol is not expected to incorporate the changes into existing annual training. Training materials and curriculum for law enforcement agencies is produced by DOJ, Training and Standards.

Division of State Patrol Troopers will need to be able to verify the validity of patient registry identification cards and permits issue by DOR and DATCP. DOJ manages the Transaction Information of the Management of Enforcement (TIME) system and it is expected that with some changes that patient registry identification cards and government issued marijuana permits could be include in the system. There is no cost for law enforcement agencies to run queries through that system. The estimated one-time cost for this system adaption is estimated to by \$10,000.

Adding new crimes to the Department of Transportations' Traffic and Criminal Software (TraCS), as well as adding the new crimes to the internal software of local law enforcement agencies, is routine and is not

something that is particularly costly or unique.

Any fiscal effect on local law enforcement agencies is indeterminate due to a lack of information. The Division of State Patrol treats the possession of marijuana of any amount as an arrestable offense, but many local jurisdictions have ordinances making possession of small amounts of marijuana either legal or punishable with a citation. The citation amounts vary by jurisdiction so it unknown how much revenue is generated for local jurisdictions and how much revenue will be lost due to the legalization of marijuana.

One study published by the Milwaukee County District Attorneys' office in March 2021 considered 10 years' of arrest data and found a statewide annual average 15,485 marijuana-possession arrests. (available at: <https://data.mkedao.com/marijuana-convictions/>) Deducting State Patrol's arrests leaves an annual average 14,178 marijuana possession arrests by local law enforcement agencies. Projecting the effect of an arrest reduction of 10% to 20% would result in 1,417 and 2,834 fewer arrests annually for marijuana possession. Assuming 2 hours per arrest, local law enforcement agencies statewide could see a cumulative reduction of 2,834 to 5,668 hours annually, resulting in indeterminate savings.

Long-Range Fiscal Implications

This bill by legalizing the possession of certain amounts of marijuana would have an indirect fiscal effect by eliminating some work for the Division of State Patrol by lowering the number of arrests. This saved time is projected to be in the range of 392 hours (0.19 FTE) to 784 hours (0.38 FTE) that State Patrol Troopers could allocate to other law enforcement tasks. Local law enforcement agencies could similarly see a reduction in arrests resulting in saved time projected to be 2,834 hours (1.36 FTE) to 5,668 hours (2.72 FTE).

Wisconsin Department of Administration
 Division of Executive Budget and Finance

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The Department of Transportation would have approximately \$10,000 in one-time IT expenses to make changes to the Transaction Information of the Management of Enforcement (TIME) system to support enforcement efforts.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$0	\$0	
(FTE Position Changes)	(0.0 FTE)	(-0.0 FTE)	
State Operations - Other Costs	0	0	
Local Assistance	0	0	
Aids to Individuals or Organizations	0	0	
TOTAL State Costs by Category	\$0	\$0	
B. State Costs by Source of Funds			
GPR	0	0	
FED	0	0	
PRO/PRS	0	0	
SEG/SEG-S	0	0	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$0	\$0	
GPR Earned	0	0	
FED	0	0	
PRO/PRS	0	0	
SEG/SEG-S	0	0	
TOTAL State Revenues	\$0	\$0	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$0	\$0	
NET CHANGE IN REVENUE	\$0	\$0	
Agency/Prepared By		Authorized Signature	Date
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