

FISCAL ESTIMATE

LRB or Bill No. / Adm. Rule No. AB 126 (99-1586/1)
Amendment No. (If Applicable)

DOA-2048 N(R 10/98)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject
The regulation of the sale of merchandise below cost.

Fiscal Effect
 State: No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory

2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory

4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Unit Affected:

Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Source Affected
 GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations
s. 20.115(1)(r)

Assumptions Used in Arriving at Fiscal Estimate

The Unfair Sales Act, S. 100.30, Wis. Stats., currently prohibits sellers from selling products below cost. In the case of motor vehicle fuels, tobacco products and alcoholic beverages, the definition of cost includes a statutory markup.

AB 126 would substantially reduce the scope of the Unfair Sales Act. AB 126 would repeal the prohibition against selling general merchandise and motor vehicle fuels below cost (including the markup on fuel) but it would leave in place the prohibitions against selling tobacco products and alcoholic beverages below cost.

Under the current law and this proposal, DATCP is charged with the enforcement of the Unfair Sales Act. However, this proposal eliminates funding for the 2 FTE positions charged with the administration of the Unfair Sales Act. (Funding is currently provided from the Petroleum Inspection SEG fund.)

Under the proposed legislation, DATCP would still be responsible for administration of the Unfair Sales Act, but would not have the necessary resources to do so. The private remedy is not available to sellers of tobacco products and alcoholic beverages who could be harmed by possible violations by their competitors. Without funding or a private remedy the remaining areas under s. 100.30, Wis. Stats. (tobacco products and alcoholic beverages) would not have a reasonable assurance for compliance, if violations were to occur.

Long - Range Fiscal Implications

Agency/prepared by: (Name & Phone No.) DATCP Paul C. Dingee, CPA, (608)224-4925	Authorized Signature/Telephone No. Barbara Knapp (608) 224-4746	Date 2/23/99
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FISCAL ESTIMATE WORKSHEET

1999 SESSION

Detailed Estimate of Annual
Fiscal Effect
DOA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm.Rule No. Amendment No.
1999 AB 126

Subject

The Regulation of the sale of merchandise below cost.

I. One-time Cost or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Cost:	Annualized Fiscal Impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$	\$ - 67,000
(FTE Position Changes)	(FTE)	(-2 FTE)
State Operations - Other Costs		- 37,000
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ - 104,000
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		- 104,000
III. State Revenues -	Increased Rev.	Decreased Rev.
<small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>		
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

	STATE	LOCAL
NET CHANGE IN COSTS	\$ -104,000	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 0

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