

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-3720/2	Introduction Number AB-892
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Subject
 Medical use of marijuana

Fiscal Effect

State:

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

Local:

<input checked="" type="checkbox"/> No Local Government Costs		
<input 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"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input 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	

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 DHFS/ Ellen Hadidian (608) 266-8155	Authorized Signature Freda Ellen Bove (608) 266-2907	Date 4/5/2004
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Fiscal Estimate Narratives

DHFS 4/6/2004

LRB Number 03-3720/2	Introduction Number AB-892	Estimate Type Original
Subject		
Medical use of marijuana		

Assumptions Used in Arriving at Fiscal Estimate

The bill requires the Department to establish a registry for medical users of marijuana. Individuals with debilitating medical conditions or their caregivers may apply to the Department to be permitted the legal use of marijuana for the medical condition. Under the bill, the Department must issue a registry identification card to qualifying patients who apply for inclusion in the registry by submitting to DHFS a signed application and physician statement. The Department is required to verify the information submitted by the patient.

The Department is required under the bill to promulgate rules specifying which debilitating medical conditions would allow a patient to be included in the registry. The conditions must include cancer, glaucoma, AIDS, a positive HIV test, and any chronic or debilitating disease that causes wasting away, severe pain, severe nausea, seizures, or the treatment of these conditions.

The bill also requires the Department to register nonprofit corporations that are authorized to deliver or distribute certain drug paraphernalia and marijuana to qualifying patients.

There are approximately 2.6 million individuals in Wisconsin who have a medical condition that might cause one of the effects listed in the bill as grounds for inclusion in the registry, including cancer, glaucoma, HIV, and other conditions with debilitating pain, such as arthritis or migraines. It is not known what percentage of this caseload would make use of the registry, but it is assumed that the percentage will grow over time. If 10% of the caseload makes use of the registry, approximately 261,000 patients would be registered.

The one-time cost of establishing a registry for medical users of marijuana is estimated at \$300,000 GPR, with ongoing system maintenance and hosting costs estimated at \$30,000 GPR annually. A program and planning analyst will be required to perform the duties mandated by this bill, including rule promulgation, system development management, research, application verification for individuals and registration verification for corporations, and to act as a liaison to law enforcement agencies. A program assistant will also be required to perform data entry for the system and respond to inquiries from patients. The annual cost of the positions will be \$44,800 GPR for the program and planning analyst and \$34,300 GPR for the program assistant. There will also be one-time costs of \$7,200 for each position. In addition, approximately .15 FTE of a Chief Medical Officer position will be required to provide appropriate medical consultation to the registry, at a cost of \$30,000 GPR annually.

Total one-time costs of establishing the registry are estimated at \$314,400 GPR. The cost of maintaining the registry will come to \$139,100 GPR annually.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Medical use of marijuana			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$314,000 GPR for the establishment of a registry			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$106,700	
(FTE Position Changes)		(2.0 FTE)	
State Operations - Other Costs		32,400	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$139,100	\$
B. State Costs by Source of Funds			
GPR		139,100	
FED			
PRO/PRS			
SEG/SEG-S			
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		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$139,100	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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