

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-2193/1		Introduction Number AB-0460		
Description The provision of coin-operated soda water vending machines to retail food establishments				
Fiscal Effect				
State:				
<input type="checkbox"/> No State Fiscal Effect				
<input type="checkbox"/> Indeterminate				
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues		
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues		
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
		<input type="checkbox"/> Decrease Costs		
Local:				
<input type="checkbox"/> No Local Government Costs				
<input type="checkbox"/> Indeterminate				
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue		
<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		
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		
Fund Sources Affected		Affected Ch. 20 Appropriations		
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.115(1)(a)				
Agency/Prepared By		Authorized Signature		Date
DATCP/ Kevin LeRoy (608) 224-4928		Barb Knapp (608) 224-4746		7/26/2007

Fiscal Estimate Narratives

DATCP 7/27/2007

LRB Number	07-2193/1	Introduction Number	AB-0460	Estimate Type	Original
Description The provision of coin-operated soda water vending machines to retail food establishments					

Assumptions Used in Arriving at Fiscal Estimate

This bill would prohibit DATCP from regulating the provision of coin-operated vending machines by soda wholesalers to certain retailers, such as grocery stores.

DATCP currently enforces Wisconsin Administrative Rule ATCP 102, Subchapter II. Generally this rule prohibits unfair methods of competition and unfair trade practices by soda wholesalers. Among other things, this rule states that it is an unfair trade practice for soda wholesalers to furnish, sell give lend or rent any equipment for the refrigerated storage, display, or mechanical dispensing of soda to a retailer [ATCP 102.12 (2), Wis. Adm. Code] Except that wholesalers are allowed to rent coin operated vending machines to retailers as long as the monthly rental charge is at least 1/96 of the total cost to wholesaler of the machine [ATCP 102.12(2)(a)3, Wis. Adm. Code].

From the perspective of the DATCP's Trade Practices enforcement program, AB 460 would have little effect on the agency's day-to-day operations and, therefore, minimal fiscal impact. ATCP 102, Subchapter II only requires occasional enforcement activities, and this bill would not significantly change those responsibilities.

However, if this bill were to pass, there would be discrepancy between the state statutes and the administrative code. Therefore, DATCP would likely initiate rule-making procedures to update the rule to match the requirements in the new statute. For example, the current rule already contains a definition of "retailer" and this bill contains a similar (but not identical) definition for the similar term "retail food establishment". These two ideas would need to be synchronized. Further, the specific portion of the rule that conflicts with this bill would need to be revised.

We imagine that this rule-making would consist of relatively simple amendments. But even the simplest of rule changes require many time-consuming steps. We estimate that the minimum investment for enacting a rule change is roughly \$3,000 worth of DATCP employee hours.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description The provision of coin-operated soda water vending machines to retail food establishments			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
We estimate the one-time cost impact of this proposal would be roughly \$3,000. This amount represents minimal time commitments from DATCP employees to develop and implement revisions to ATCP 102, Subchapter II. Should this bill become law, the administrative rule would require some minimal revision to avoid conflict with the new law.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	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, ets.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DATCP/ Kevin LeRoy (608) 224-4928		Barb Knapp (608) 224-4746	7/26/2007