

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 17-1117/1	<b>Introduction Number</b> AB-0183				
<b>Description</b> growing and processing industrial hemp, granting rule-making authority, and making an appropriation					
<b>Fiscal Effect</b>					
<b>State:</b> <input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations  <input type="checkbox"/> Decrease Existing Appropriations  <input type="checkbox"/> Create New Appropriations                 </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues                 </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget  <div style="display: flex; justify-content: space-around; font-size: small;"> <input type="checkbox"/> Yes      <input type="checkbox"/> No                     </div> <input type="checkbox"/> Decrease Costs                 </div> </div>					
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">                     1. <input type="checkbox"/> Increase Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      2. <input type="checkbox"/> Decrease Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                 </div> <div style="width: 30%;">                     3. <input type="checkbox"/> Increase Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      4. <input type="checkbox"/> Decrease Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                 </div> <div style="width: 30%;">                     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                 </div> </div>					
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><b>Fund Sources Affected</b></td> <td style="width: 50%;"><b>Affected Ch. 20 Appropriations</b></td> </tr> <tr> <td> <input type="checkbox"/> GPR    <input type="checkbox"/> FED    <input type="checkbox"/> PRO    <input type="checkbox"/> PRS    <input type="checkbox"/> SEG    <input type="checkbox"/> SEGS                 </td> <td></td> </tr> </table>		<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>	<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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<b>Agency/Prepared By</b> UWS/ Tawseef Talukdar (608) 265-8501	<b>Authorized Signature</b> Renee Stephenson (608) 263-4422	<b>Date</b> 4/6/2017			

## Fiscal Estimate Narratives

UWS 4/6/2017

LRB Number	17-1117/1	Introduction Number	AB-0183	Estimate Type	Original
<b>Description</b> growing and processing industrial hemp, granting rule-making authority, and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 183

1. The bill requires the Wisconsin Crop Improvement Association, in cooperation with the University of Wisconsin-Madison College of Agriculture and Life Sciences (UW-CALS) and the Department of Agriculture, Trade and Consumer Protection (DATCP), to establish and administer a certification program for industrial hemp seed in Wisconsin.

2. This bill permits institutions of higher education to establish an agricultural pilot program to study industrial hemp and to grow hemp for such a pilot program.

3. The bill permits DATCP and UW-CALS to develop a Wisconsin heritage seed for industrial hemp. In doing so, DATCP and UW-CALS may:

- a. Breed, plant, grow, cultivate, and harvest the plant Cannabis.
- b. Use Cannabis seeds from plants that have a delta-9-tetrahydrocannabinol concentration of not more than 1.0 percent.
- c. Collect seeds from wild Cannabis plants.

Analysis

1. Seed certification in Wisconsin is conducted by the Wisconsin Crop Improvement Association (WCIA). WCIA is an independent not-for-profit corporation. Certification of industrial hemp will be performed by WCIA, and therefore incidental costs will be borne by it. Though UW often works with WCIA, it is not involved in seed certification and thus will not experience a fiscal impact related to this requirement.

2. The bill permits institutions of higher education to establish pilot programs to study industrial hemp. If an institution were to choose to develop such a program, costs would vary based on the how the program is structured and focused. In order to have a meaningful multi-disciplinary hemp research and development program, \$500,000 - \$750,000 would be required per year to allocate to peer-reviewed research proposals.

3. The bill permits DATCP and UW-CALS to develop a Wisconsin heritage seed for industrial hemp. If UW-CALS were to develop a Wisconsin heritage seed for industrial hemp, it would entail a five-year project and require a PhD graduate student. The total cost of the project, including the PhD student, would be \$400,000.

Conclusion

This bill does not place any mandatory obligations on the UW System. Any fiscal impact will be a result of voluntary actions which are made permissible by this bill. To pursue a pilot program to study industrial hemp, institutions would require \$500,000 - \$750,000 per year. To develop a Wisconsin heritage seed for industrial hemp, UW-CALS would have to undertake a five-year project and require a PhD student at a total cost of \$400,000.

### Long-Range Fiscal Implications