

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

| | |
|-----------------------------|-----------------------------------|
| LRB Number 19-5403/1 | Introduction Number SB-757 |
|-----------------------------|-----------------------------------|

Description
 licenses for the retail sale of vapor products and making an appropriation

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
- Increase Existing Appropriations
- Decrease Existing Appropriations
- Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes No
- Decrease Costs

Local:

- No Local Government Costs
 - Indeterminate
 - 1. Increase Costs 3. Increase Revenue
 - Permissive Mandatory Permissive Mandatory
 - 2. Decrease Costs 4. Decrease Revenue
 - Permissive Mandatory Permissive Mandatory
- 5. Types of Local Government Units Affected**
- Towns Village Cities
 - Counties Others
 - School Districts 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/ David Woldseth (608) 224-5164 | Jason Gherke (608) 224-4748 | 2/18/2020 |

Fiscal Estimate Narratives
DATCP 2/18/2020

| | | | | | |
|--|------------------|---------------------|---------------|---------------|-----------------|
| LRB Number | 19-5403/1 | Introduction Number | SB-757 | Estimate Type | Original |
| Description licenses for the retail sale of vapor products and making an appropriation | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill requires a person who sells vapor products to obtain a cigarette and tobacco products retailer license. Current law defines a "vapor product" as a noncombustible product that produces vapor or aerosol for inhalation from the application of a heating element, regardless of whether the liquid or other substance contains nicotine.

The bill requires a retailer who sells or offers for sale vapor products to obtain an annual license from the clerk of the city, village, or town where the retailer is located.

The bill authorizes two positions in the Department of Agriculture, Trade and Consumer Protection (DATCP) to conduct investigations of retail sales.

DATCP does not collect data on how many retailers sell or offer vapor products currently. It cannot determine how many licenses would be sold by city, village, and town clerks. The clerks currently sell licenses for cigarettes and tobacco products under this current statute, and it is not clear if clerks would need to increase license fees to cover any additional costs or administrative burden. Therefore, the local cost would not be known. DATCP itself receives no fees from the local licenses so no state program revenue would be generated.

Fiscal charges are dictated by Sections 11 and 12 of the bill. Appropriation Wis. Stat. § 20.115(1)(a) would increase \$204,800 in FY20-21 to pay for two newly authorized GPR positions charged with conducting investigations of retail sales and the associated supplies and services.

Long-Range Fiscal Implications

The bill creates two new positions and a new line of enforcement for the Department.

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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Description
 licenses for the retail sale of vapor products and making an appropriation

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

Local governments may need to modernize their license applications. DATCP may also have additional one-time personnel costs related to the creation of two new FTE positions.

| II. Annualized Costs: | Annualized Fiscal Impact on funds from: | |
|-----------------------|---|-----------------|
| | Increased Costs | Decreased Costs |

A. State Costs by Category

| | Increased Costs | Decreased Costs |
|---|------------------|-----------------|
| State Operations - Salaries and Fringes | \$164,800 | \$ |
| (FTE Position Changes) | | |
| State Operations - Other Costs | 40,000 | |
| Local Assistance | | |
| Aids to Individuals or Organizations | | |
| TOTAL State Costs by Category | \$204,800 | \$ |

B. State Costs by Source of Funds

| | Increased Costs | Decreased Costs |
|-----------|-----------------|-----------------|
| GPR | 204,800 | |
| 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

| | State | Local |
|-----------------------|-----------|-------|
| NET CHANGE IN COSTS | \$204,800 | \$ |
| NET CHANGE IN REVENUE | \$ | \$ |

| | | |
|---|--|--------------------------|
| Agency/Prepared By DATCP/ David Woldseth (608) 224-5164 | Authorized Signature Jason Gherke (608) 224-4748 | Date 2/18/2020 |
|---|--|--------------------------|