

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-6080/1</b>	<b>Introduction Number</b> <b>AB-1063</b>
<b>Description</b> Medical cannabis, providing an exemption from emergency rule procedures, granting rule-making authority, making an appropriation, and providing a penalty	
<b>Fiscal Effect</b>	
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue              5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 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 <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS    20.445 (1) (n), (s), (sm), (t)	
<b>Agency/Prepared By</b> DWD/ Andrew Evenson (608) 266-1756	<b>Authorized Signature</b> Danielle Williams (608) 266-2284
<b>Date</b> 3/9/2022	

## Fiscal Estimate Narratives

DWD 3/9/2022

LRB Number	21-6080/1	Introduction Number	AB-1063	Estimate Type	Original
<b>Description</b> Medical cannabis, providing an exemption from emergency rule procedures, granting rule-making authority, making an appropriation, and providing a penalty					

### Assumptions Used in Arriving at Fiscal Estimate

This bill proposes to permit the use of cannabis for debilitating medical conditions. Under the bill, individuals must obtain written certification from their practitioner of their qualifying medical condition and must also register with a proposed Department of Health Services (DHS) registry to lawfully use medical cannabis.

This bill would provide that an employee who is terminated solely due to a positive drug test for cannabis components or metabolites, or who violates the employer's policy concerning the use of cannabis, is not disqualified from receiving unemployment insurance (UI) or worker's compensation benefits if the employee has a valid certification and registration card, subject to certain exceptions.

This bill is estimated to have a fiscal effect to the UI Trust Fund. In 2018, there were 9,548 effective UI benefit denial determinations due to misconduct. Approximately 2% of the denial determinations for misconduct were due to testing positive for tetrahydrocannabinols (THC), which may be found in medical cannabis products. Using this 2018 denial determination data, and the 2018 average UI benefit claim amount, the estimated net effect of this bill on the UI Trust Fund could be up to \$454,200 of additional annual benefit payments. This assumes all individuals with a positive test for THC in 2018 would have, under this bill, a valid certification and registration card.

This bill is estimated to have a one-time administrative cost to the UI program of \$5,346 which includes updates to forms, publications, websites, handbooks, manuals, and training material. The estimated one-time IT impact is \$16,020 for 180 hours of work updating resolution codes and questionnaires in UI computer systems. These minor costs are absorbable.

This bill may have an administrative impact on the Department's Equal Rights Division. The bill expands an existing basis that prohibits discrimination based on the use or non-use of lawful products to include legally obtained THC. However, this is an uncommonly utilized basis and is not anticipated to result in a large increase in case volume.

This bill may also have an impact on the Worker's Compensation program including the Self-Insured Employers Liability Fund s.102.28 (7) and (8), the Uninsured Employer Fund s.102.80, and the Work Injury Supplemental Benefit Fund s.102.65. This bill would allow medical cannabis to be paid from these funds as a treatment. The Department, however, is not able to reliably estimate the fiscal effect to these funds under this bill.

The bill's local fiscal effect would be primarily related to increased UI benefit payments for reimbursable state and local government employers. It is estimated that this increase would be negligible for these employers.

### Long-Range Fiscal Implications