

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-2612/1	Introduction Number SB-357
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Description
 regulating the sale of items that are qualified medical expenses below cost

Fiscal Effect

State:

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

 Yes
 No
 Create New Appropriations
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <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
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <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 DATCP/ David Woldseth (608) 224-5164	Authorized Signature Jason Gherke (608) 224-4748	Date 7/2/2021
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Fiscal Estimate Narratives

DATCP 7/2/2021

LRB Number 21-2612/1	Introduction Number SB-357	Estimate Type Original
Description regulating the sale of items that are qualified medical expenses below cost		

Assumptions Used in Arriving at Fiscal Estimate

This bill exempts qualified medical expenses from the Unfair Sales Act. Under current law, the Unfair Sales Act, also known as the "minimum markup law," prohibits retailers and wholesalers from selling merchandise for less than the cost of the merchandise to the seller. Under the bill, the prohibition on below-cost sales does not apply to vaccines, prescription drugs, or physical items whose costs are qualified medical expenses under federal law.

For certain products, the statutory definition of cost includes a minimum markup to represent the cost of doing business. However, for most products, cost is defined, generally, as the price paid by the seller.

Current law contains a list of exceptions to the prohibition of selling merchandise below cost. For example, current exceptions include: meeting the price of a competitor, seasonal clearance sales, going out of business sales, etc. This proposed bill would add an additional exception allowing for sales below cost as long as the merchandise sold is a qualified medical device.

DATCP is the agency primarily responsible for state enforcement of the Unfair Sales Act. Generally, DATCP conducts investigations of alleged Unfair Sales Act violations based on complaints. DATCP has not discovered any violation of the Unfair Sales Act for sales of qualified medical devices in more than 25 years. Therefore, DATCP believes this bill would not have any material fiscal effect on the agency.

Long-Range Fiscal Implications

Unknown.