

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-5107/1	Introduction Number SB-710
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Description
 information disclosure by online marketplaces related to high-volume sellers and granting rule-making authority

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<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
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Create New Appropriations	
<input type="checkbox"/> Decrease Existing Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs			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
<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	

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	Authorized Signature	Date
DATCP/ David Woldseth (608) 224-5164	Jason Gherke (608) 224-4748	12/30/2021

Fiscal Estimate Narratives

DATCP 12/30/2021

LRB Number	21-5107/1	Introduction Number	SB-710	Estimate Type	Original
Description information disclosure by online marketplaces related to high-volume sellers and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill establishes various requirements related to third-party sellers and the online marketplaces through which they sell consumer products. Under the bill, third-party sellers who complete at least 200 sales through a particular online marketplace over a 12-month period that have a total revenue of at least \$20,000 are considered "high-volume third-party sellers" and must disclose their full name, physical address, telephone number, and email address and certain banking information to the online marketplace. Online marketplaces must verify this information and annually check with high-volume third-party sellers for updated information. If a high-volume third-party seller fails to respond within 10 days to an inquiry for updated information, an online marketplace must suspend the seller from participating on its marketplace.

The bill also requires online marketplaces to disclose high-volume third-party sellers' contact information to consumers conspicuously, subject to certain exceptions. If a high-volume third-party seller is an individual, the individual may prevent the online marketplace from disclosing the individual's residential address and personal telephone number. Under the bill, online marketplaces must also provide a mechanism for consumers to report electronically or by telephone suspicious marketplace activity by a high-volume third-party seller.

The bill further states local jurisdictions cannot adopt similar laws, and, if passed, the law would go into effect on the first day of the seventh month after publication.

The Department does not currently regulate third-party sellers or their online marketplaces in relation to the provisions outlined by this bill. Therefore outreach and education will need to be done to inform them of their rights and responsibilities under the regulations. Largely, many of these third-party sellers and online marketplaces would not be Wisconsin-based businesses. Since Wisconsin enforces consumer protection laws against out-of-state businesses currently, the enforcement would not be atypical in jurisdiction and should not differ greatly from its other investigations.

The bill grants DATCP authority to investigate under Chapter 100 and specifically grants rulemaking authority. Since this bill provides for a new line of specific enforcement, DATCP would likely need to conduct rulemaking, and it would do so with current staff thus absorbing the costs. Since rules typically take an average of two years to promulgate and the statute would go into effect six months after enacted, unforeseen costs could occur during that time period.

Under Chapter 100, DATCP would refer cases to the Attorney General's office or to a district attorney if the investigation warrants such referral. Should DATCP refer a case, prosecution costs would be borne by those offices.

Since this represents a new line of enforcement for DATCP, it is not clear how many complaints will be filed. The Department plans to absorb costs but may need to seek additional positions in future budgets.

The Department therefore believes the fiscal estimate to be unknown at this time.

Long-Range Fiscal Implications

Since this represents a new line of enforcement for DATCP, it is not clear how many complaints will be filed. The Department plans to absorb costs but may need to seek additional positions in future budgets.