

2023 Assembly Bill 1040

HOUSING IMPACT ANALYSIS

SUMMARY: The proposed bill would create a program under which a registered patient or their caregiver may possess and use medical cannabis products. The bill licenses and regulates medical cannabis growers, processors, and testing laboratories and establishes state-owned dispensaries. The bill defines medical cannabis products and creates the Office of Medical Cannabis Regulation within the Department of Health Services, requires it to create and maintain a registry of authorized purchasers and possessors of medical cannabis, and operate authorized dispensaries. The bill requires the Department of Agriculture, Trade and Consumer Protection to regulate growing and processing medical cannabis products.

The proposed bill decriminalizes medical cannabis and related paraphernalia possession, manufacture, distribution and delivery. The proposed bill precludes from consideration the use or possession of medical cannabis when determining child placement or custody. The bill limits local regulation of medical cannabis and creates a sales tax exemption for the sale of medical cannabis. The bill also adds the use of medical cannabis to the list of characteristics under which it is illegal to discriminate in housing under the open housing law.

The bill does not add the use of medical cannabis to the current fair employment law, thereby preserving an employer's right to terminate or discriminate against an employee for the use of medical cannabis. The bill retains the definition of controlled substance as applied to medical cannabis thus eliminating the eligibility to receive Unemployment Insurance benefits if an employee was fired for "misconduct".

IMPACTS: The proposed changes under AB 1040 impact the provision of housing in Wisconsin in the following ways:

1. **Policies, strategies and recommendations of the state housing strategy plan.** The proposed bill makes changes that are neutral to the state's Consolidated Plan. Wisconsin's Consolidated Plan calls for the expansion of safe, sanitary, affordable housing for low- and moderate-income homeowners and renters as well as improving the affordable rental housing and homebuyer opportunities for all households, especially those with severe residential cost burdens. Wisconsin's Consolidated Plan also prioritizes increasing economic opportunity in Wisconsin's communities, focusing on both workers and businesses.

Establishing a Medical Cannabis Program and adding the use and possession of medical cannabis to the list of characteristics under which it is illegal to discriminate in housing under the open housing law will enable licensed households to treat enumerated medical conditions without fear of eviction. However, not adding the use of medical cannabis to the current fair employment law, thereby preserving an employer's right to terminate or discriminate against an employee for the use of medical cannabis, coupled with retaining the current definition of controlled substance as applied to medical cannabis thus eliminating the eligibility of receiving Unemployment Insurance benefits if an employee was fired for "misconduct" may create an environment whereby households may forego the use of medical cannabis out of fear of losing their job.

2. **The cost of developing, constructing, rehabilitating, improving, maintaining or owning single family or multifamily dwellings.** The provisions of AB 1040 are unlikely to impact the cost of developing, constructing, rehabilitating, improving, maintaining or owning single family or multifamily dwellings.

3. **The purchase price of new homes or the fair market value of existing homes.** The provisions of AB 1040 are unlikely to impact the purchase price of new homes or the fair market value of existing homes.
4. **The cost and availability of financing to purchase or develop housing.** The provisions of AB 1040 are unlikely to impact the cost and availability of financing to purchase or develop housing.
5. **Housing costs as defined in s. 16.301 (3) (a) and (b).** S. 16.301 (3) (a) defines “housing costs” as any of the following:
 - a. The principal and interest on a mortgage loan that finances the purchase of the housing.
 - b. Closing costs and other costs associated with a mortgage loan.
 - c. Mortgage insurance.
 - d. Property insurance.
 - e. Utility-related costs.
 - f. Property taxes.
 - g. If the housing is owned and occupied by members of a cooperative or an unincorporated cooperative association, fees paid to a person for managing the housing.

S. 16.301 (3) (b) defines “rented housing” costs as any of the following:

- a. Rent.
- b. Utility-related costs, if not included in the rent.

The provisions of AB 1040 are unlikely to impact housing costs as defined in s. 16.301 (3) (a) and (b).

6. **The density, location, setback, size, or height of development on a lot, parcel, land division, or subdivision.** The provisions of AB 1040 are unlikely to impact the density, location, setback, size, or height of development on a lot, parcel, land division, or subdivision.
7. **The relative impact of the effects of the bill on low- and moderate-income households.** Establishing a Medical Cannabis Program and adding the use and possession of medical cannabis to the list of characteristics under which it is illegal to discriminate in housing under the open housing law will enable licensed households to treat enumerated medical conditions without fear of eviction. However, not adding the use of medical cannabis to the current fair employment law, thereby preserving an employer’s right to terminate or discriminate against an employee for the use of medical cannabis, coupled with retaining the current definition of controlled substance as applied to medical cannabis thus eliminating the eligibility of receiving Unemployment Insurance benefits if an employee was fired for “misconduct” may create an environment whereby households may forego the use of medical cannabis out of fear of losing their job. The relative impact of the effects of the bill on low- and moderate-income households is unknown at this time.

Prepared by the Department of Administration

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