

### Fiscal Estimate - 2023 Session

Original                       Updated                       Corrected                       Supplemental

<b>LRB Number</b> 23-4468/1		<b>Introduction Number</b> AB-0506
<b>Description</b> legalizing the possession of marijuana; medical marijuana; regulating the production, processing, and sale of marijuana; expunging or redesignating past convictions for marijuana-related crimes; equity grants; 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 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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs                      3. <input checked="" type="checkbox"/> Increase Revenue <b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs                      4. <input type="checkbox"/> Decrease Revenue <input 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 type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS		<b>Affected Ch. 20 Appropriations</b> 20.255(2)(r) (new)
<b>Agency/Prepared By</b> DPI/ Morgan Hau (608) 264-9559	<b>Authorized Signature</b> Erin Fath (608) 266-2804	<b>Date</b> 10/31/2023

## Fiscal Estimate Narratives

DPI 10/31/2023

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<b>Description</b> legalizing the possession of marijuana; medical marijuana; regulating the production, processing, and sale of marijuana; expunging or redesignating past convictions for marijuana-related crimes; equity grants; making an appropriation; and providing a penalty					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law marijuana is not legalized and therefore does not generate any taxable income for the State.

This bill would legalize the usage, as well as the production, processing, distribution, or selling of marijuana within Wisconsin. The excise tax monies would be deposited within a segregated fund to be called the "community reinvestment fund."

This bill would create an additional aids category for "Sparsity aid; community reinvestment fund supplement." This is an annual segregated appropriation that would begin in the 2024-25 fiscal year. \$34,852,800 is to be appropriated. Payments would be made pursuant to the existing Sparsity aid rules under s. 115.436.

The bill also modifies the statutes related to critical health problems education program. Those changes are estimated to not have any fiscal impact.

State Impact Increase revenues/Indeterminate

This would create a segregated annual sparsity aid of \$34,852,800 beginning in the 2024-25 fiscal year. The current amount appropriated for the 2024-25 fiscal year is in the annual GPR appropriation with the amount of \$28,614,000 under 20.255 (2) (ae).

This bill creates the revenue as a segregated annual appropriation. If the bill were to replace the existing GPR appropriation it would then save GPR monies in the state's general fund. The bill does not explicitly specify that new SEG appropriation is intended to replace the current GPR appropriation for Sparsity Aid, nor does the bill modify current law statutes for the Sparsity Aid program.

Local Impact: Increase revenues/Indeterminate

This would increase revenues to school districts that qualify for Sparsity aid under s. 115.436. It is indeterminate what amount increase school districts would receive individually.

### Long-Range Fiscal Implications

Replacing a GPR appropriation with a different fund source (the new SEG appropriation proposed in the bill) would free up GPR authority in the state's general fund on an ongoing basis.