

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-5364/1	Introduction Number AB-0988
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Description
 eliminating minimum markup requirements and the prohibition on sales below cost

Fiscal Effect

State:

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

Local:

- No Local Government Costs
 - Indeterminate
 - 1. Increase Costs 3. Increase Revenue
 - Permissive Mandatory Permissive Mandatory
 - 2. Decrease Costs 4. Decrease Revenue
 - Permissive Mandatory Permissive Mandatory
- 5. Types of Local Government Units Affected**
- Towns Village Cities
 - Counties Others 0
 - School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS 20.115 (1) (r)

Agency/Prepared By	Authorized Signature	Date
DATCP/ Waylon Hurlburt (608) 224-4857	Waylon Hurlburt (608) 224-4857	1/29/2024

Fiscal Estimate Narratives

DATCP 1/29/2024

LRB Number	23-5364/1	Introduction Number	AB-0988	Estimate Type	Original
Description eliminating minimum markup requirements and the prohibition on sales below cost					

Assumptions Used in Arriving at Fiscal Estimate

This bill repeals the Unfair Sales Act, also called the minimum markup law, which prohibits wholesale and retail sales of merchandise at a price below the cost of the merchandise to the seller. For motor vehicle fuels, tobacco products, and alcoholic beverages, the Unfair Sales Act includes formulas for calculating the cost to the seller that add minimum markups from 3 to 9.18 percent to cover a portion of the seller's cost of doing business.

This bill would eliminate the authorized 2.1 full-time equivalent (FTE) positions responsible for enforcing the provisions of the Unfair Sales Act. Additional work performed by the 2.1 FTE correlates with the department's enforcement of responsibilities under Wis. Stat. § 100.18(8), Wis. Stat. § 100.305, Admin. Code Ch. ATCP 102, and Admin. Code Ch. ATCP 106; therefore, shifts of job duties will be required. Staff time will also be required to amend Wis. Admin. Code Ch. ATCP 102 and repeal Wis. Admin. Code Ch. ATCP 105, due to their statutory references to Wis. Stat. § 100.30 which would be repealed under this proposal.

In FY24, \$311,100 has been budgeted for enforcement of the Unfair Sales Act. In FY25, that amount decreases to \$310,400. This bill eliminates that funding. The bill also eliminates 2.1 FTE positions within the Bureau of Business Trade Practices.

This bill will reduce the department's enforcement costs as the agency would no longer enforce the Unfair Sales Act. The department cannot predict any increase or decline in the number of complaints. Complaints relating to the Unfair Sales Act provisions repealed in this bill will be received, but the department would no longer investigate them as it would lack statutory authority to do so. Over the last two years there were 406 complaints relating to the Unfair Sales Act submitted to the department.

Long-Range Fiscal Implications

If the Unfair Sales Act is repealed, there would be duties relating to other existing laws, currently performed by the 2.1 FTEs that are eliminated under this bill, that would need to be absorbed by existing agency resources.

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 23-5364/1	Introduction Number AB-0988	
Description eliminating minimum markup requirements and the prohibition on sales below cost		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$ \$-252,500	
(FTE Position Changes)	(-2.1 FTE)	
State Operations - Other Costs	-58,600	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$ \$-311,100	
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	-311,100	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev Decreased Rev	
GPR Taxes	\$ \$	
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$ \$	
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u> <u>Local</u>	
NET CHANGE IN COSTS	\$-311,100 \$	
NET CHANGE IN REVENUE	\$ \$	
Agency/Prepared By	Authorized Signature	Date
DATCP/ Waylon Hurlburt (608) 224-4857	Waylon Hurlburt (608) 224-4857	1/29/2024