

Fiscal Estimate - 2021 Session

Original Updated Corrected Supplemental

LRB Number 21-5553/1	Introduction Number AB-0846	
Description legalizing recreational marijuana, granting rule-making authority, making an appropriation, and providing a penalty		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input checked="" 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 5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445 (1) (n)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DWD/ Andrew Evenson (608) 266-1756	Danielle Williams (608) 266-2284	2/1/2022

Fiscal Estimate Narratives

DWD 2/1/2022

LRB Number	21-5553/1	Introduction Number	AB-0846	Estimate Type	Original
Description					
legalizing recreational marijuana, granting rule-making authority, making an appropriation, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

The bill defines marijuana as a lawful product for purposes of the fair employment law such that, subject to certain exceptions, no person may engage in any act of employment discrimination against an individual because of the individual's use of marijuana off the employer's premises during nonworking hours. Under the bill, this offsite use does not constitute misconduct or substantial fault related to eligibility for Unemployment Insurance (UI) benefits, unless termination of the employee is permitted under s. 111.35. Additionally, the bill excludes tetrahydrocannabinols (THC) for purposes of the UI drug testing requirement under s. 108.133, and, as such, under the bill, an individual who tests positive for THC may not be denied UI benefits.

It is estimated that this bill will increase annual costs to the UI Trust Fund by \$454,200. In 2018, there were 9,548 effective UI benefit denial determinations due to misconduct. Of those, approximately 2 percent or about 191 misconduct denial determinations were due to testing positive for THC. Those previously denied benefit claims would likely be allowed under the provisions of the proposed bill, and if paid, the cost of these benefits would be \$454,200. Accordingly, the bill is estimated to increase future benefit payments, and annual costs to the UI Trust Fund, by \$454,200.

Under this bill state and local government employers, that are reimbursable employers under s. 108.02 (13) (a), could have increased UI benefit costs, but it is estimated that the fiscal effect to any one employer would be very small, and state appropriations would be affected by a negligible amount.

A one-time administrative cost to the UI program is estimated at \$540 which includes updates to forms, publications, websites, handbooks, manuals, and training material. This cost would increase expenditures from the department's 20.445(1)(n) federal appropriation.

Long-Range Fiscal Implications

Wisconsin Department of Administration
 Division of Executive Budget and Finance

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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 Updated
 Corrected
 Supplemental

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Description legalizing recreational marijuana, granting rule-making authority, making an appropriation, and providing a penalty		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): A one-time administrative cost to the UI program is estimated at \$540 which includes updates to forms, publications, websites, handbooks, manuals, and training material.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
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	\$	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
DWD/ Andrew Evenson (608) 266-1756	Danielle Williams (608) 266-2284	2/1/2022