

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-4361/1	Introduction Number SB-545
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Description
legalizing recreational marijuana, granting rule-making authority, making an appropriation, and providing a penalty

Fiscal Effect

State:

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

Local:

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

Fund Sources Affected

GPR
 FED
 PRO
 PRS
 SEG
 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	9/10/2021

Fiscal Estimate Narratives

DWD 9/10/2021

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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

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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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
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