

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-4468/1	Introduction Number AB-0506	
Description 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		
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 checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input checked="" 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 checked="" type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <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)		
Agency/Prepared By	Authorized Signature	Date
DWD/ Andrew Wescott-Barten (608) 405-4475	Jennifer Sereno (608) 267-9692	11/10/2023

Fiscal Estimate Narratives

DWD 11/10/2023

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Assumptions Used in Arriving at Fiscal Estimate

The bill has an estimated one-time administrative cost to the department of \$600, which can be absorbed, and a net annual cost to the UI Trust Fund of \$377,900. The local fiscal impact is indeterminate at this time.

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 decrease the UI Trust Fund balance by \$377,900. Of the 7,705 UI benefit denial determinations for misconduct in 2022, about 2% or some 154 were due to positive tests 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 \$605,500. After accounting for reimbursable benefits and increases in UI taxes, the net annual cost to the UI Trust Fund would be \$377,900.

A one-time administrative cost to the UI program would be \$600, 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.

UI benefit costs could increase under this bill for state and local government employers that are reimbursable employers under 108.02 (13) (a). However, the department cannot determine the number of employers that would be impacted nor estimate the potential increase in UI benefit costs at this time.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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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 \$600 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 DWD/ Andrew Wescott-Barten (608) 405-4475		
Authorized Signature Jennifer Sereno (608) 267-9692		Date 11/10/2023