MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: June 24, 2022

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: A resolution providing for an advisory referendum on the November 8, 2022, election ballot to measure public opinion on allowing adults 21 years of age and older to engage in the personal use of marijuana, while also regulating commercial marijuana-related activities, and imposing a tax on the sale of marijuana

FISCAL EFFECT:

☐ No Direct County Fiscal Impact

☐ Existing Staff Time Required

☒ Increase Operating Expenditures
(If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☒ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☒ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	$18,000	$0
	Revenue	$0	$0
	Net Cost	$18,000	$0
Capital Improvement Budget	Expenditure	$0	$0
	Revenue	$0	$0
	Net Cost	$0	$0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.

B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.

C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.

D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. Approval of this resolution calls for an advisory referendum to be held on November 8, 2022, asking voters: Do you favor allowing adults 21 years of age and older to engage in the personal use of marijuana, while also regulating commercial marijuana-related activities, and imposing a tax on the sale of marijuana?

A. It is estimated to cost approximately $18,000 to add an advisory referendum question to the November 8, 2022, County-wide ballot. This estimate is provided by Election Commission staff based on experience. This estimate is based on the cost of printing ballots, programming election machines, and the required newspaper advertising related to the referendum question. Milwaukee County, according to Election Commission staff, is responsible for all costs related to federal, state, and county contests. A precise cost calculation is not possible since many factors influence the actual cost of each contest (i.e. election or referendum question) including ballot printing (actual size of ballot, number of columns, and whether it is one or two-sided), election machine programming and advertising expenses.

B. The budgetary impact is expected to increase the expenditures of the Election Commission by approximately $18,000 due to the addition of the advisory referendum. Election Commission staff, historically, have sought fund transfers from the Appropriation for Contingencies for any costs that could not be absorbed within their Adopted Budget (The County Clerk now oversees the Election Commission).

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[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

[2] Community Business Development Partners' review is required on all professional service and public work construction contracts.

The budgetary impact for 2022 increases the expenditures of the Elections Commission by $18,000 and decreases the expenditures in the Appropriations for Contingencies by the same amount. The current balance of the Unallocated Contingencies Account is $3,914,985 based on actions taken through the County Board meeting of June 23, 2022. Assuming none of these contingency funds are spent, the Comptroller is projecting a year-end deficit of $1,726,788. This year-end projection is likely to change as fiscal results are reported to the Office of the Comptroller each month. Use of funds from the Appropriation for Contingencies either decreases the County's overall surplus at year's end or increases its deficit. This resolution does not authorize or obligate further allocations beyond the funds authorized in this resolution.

C. The assumptions used for this fiscal note were based on a cost estimate provided by the Election Commission. The Election Commission, by law, must receive the notice of a referendum for the November 8, 2022 general election 70 days in advance, or no later than August 30, 2022.

Department/Prepared By Steve Cady Research and Policy Director, Office of the Comptroller

Authorized Signature Stephen J. Cady

Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

Did CBDP Review?[2] ☐ Yes ☐ No ☒ Not Required