

Fiscal Estimate Narratives

COMM 5/6/2003

LRB Number 03-2380/1	Introduction Number AB-267	Estimate Type Original
Subject Small business administrative rules		

Assumptions Used in Arriving at Fiscal Estimate

This bill establishes a Small Business Regulatory Review Board within the Department of Commerce for the purpose of analyzing and reviewing the effects of proposed administrative rules on small businesses. The bill requires agencies to submit to the board any proposed rule that may have a significant impact on small businesses. The bill redefines "small business" and grants a small business the right to seek an injunction against the imposition of a penalty from an action initiated by the small businesses that was the result of erroneous information provided by the agency. The bill further requires every state agency to review all of its administrative rules over the next five years to determine if there are unnecessary burdens placed on small businesses.

The Small Business Regulatory Review Board will consist of 10 members and will meet periodically to determine the effects of proposed administrative rules on small businesses. According to information provided in the "Function of the Legislative Council Rules Clearinghouse" Report, the Department determined a 10 year statewide average of 199 completed rules per calendar year. The report does not maintain statistics on the number of rules in a given year that adversely affect small businesses. Nonetheless, it is estimated that roughly 30% of completed rules in a given calendar year will have an impact on small businesses, necessitating a hearing. Based on the above estimations, the Department anticipates approximately five rules will necessitate a review each month.

Depending on the complexity of the rules, frequency of submission to the Board and the time necessitated to present and analyze proposed administrative rules, the Department anticipates no fewer than 12 Small Business Regulatory Review Board meetings in a given calendar year. The Department estimates a variety of costs associated with the activities of the Board to include:

- Coordinating, scheduling and facilitating meetings;
- Mailing, printing and material development costs;
- Telephone and/or videoconferencing;
- Expense reimbursement;
- Staff time researching and analyzing proposed rules;

The Department anticipates travel related expenditures only for five of the proposed 10 board members. The Department anticipates the need to reimburse for mileage incurred plus lunch expenses. These costs are estimated below.

The Department estimates that staff time and effort associated with board activities may be absorbed through existing personnel, and the Department will not seek any additional positions to administer the board.

Total Annual Costs:

Mailing, printing and material development costs: \$2,500
Telephone: \$1,500
Board Member Expenditures: \$3,500

Total: \$7,500

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-2380/1	Introduction Number AB-267	
Subject Small business administrative rules		
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	\$	
(FTE Position Changes)		
State Operations - Other Costs	7,500	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$7,500	\$
B. State Costs by Source of Funds		
GPR	7,500	
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		
	State	Local
NET CHANGE IN COSTS	\$7,500	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
COMM/ Landon Williams (608) 267-9382		5/6/2003
Louie Cornelius (608) 266-8629		