

Fiscal Estimate Narratives
DATCP 9/29/2009

LRB Number 09-2827/1	Introduction Number SB-302	Estimate Type Original
Description Powersports vehicle manufacturers, distributors, and dealers and providing a penalty		

Assumptions Used in Arriving at Fiscal Estimate

This bill regulates portions of the business relationship between powersports vehicle dealers and the distributors or manufacturers who sell to them.

Under this bill, The Department of Agriculture, Trade and Consumer Protection (DATCP) is responsible for maintaining compliance and, along with DOJ and district attorneys, bringing court actions for violations.

We estimate that the net annual fiscal effect of these responsibilities would increased cost to DATCP of about \$4,200.

We arrive at this estimate by assuming that fully investigating alleged violations of this law would require an average of roughly 60 hours of total employee time. (This includes time by auditors and supervisory managers.) We further assume that these investigations would occur at a rate of 1 or 2 per year. This leads us to roughly 90 employee hours of staff time per year (1.5 investigations X 60 hours per investigation).

In addition to auditing and investigation alleged violations, we assume that DATCP would also be regularly called upon, by both dealers and distributor/manufactures, to help affected parties determine whether or not certain practices constitute violations of the statute. Our estimate includes roughly 20 employee hours per year to provide this service.

Therefore, our fiscal estimate is based on a total of 110 employee hours per year. We will assume that the cost of each employee hour is roughly \$38.50. This hourly rate includes salary (for professional level auditors and supervisors) and fringe benefits, and all supplies & services expenses typically associated with compliance program employees. Multiplying 110 hours by \$38.50 equals \$4,235. We round this amount to the nearest thousand to reflect the imprecise nature of an estimate that is built on unknowable assumptions.

Summary:

Average 1.5 investigations per year (@ 60 hours per investigation)
Average of 20 hours per year in outreach and education
Total average of 110 hours per year @38.50/hr = approx. \$4,000

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Powersports vehicle manufacturers, distributors, and dealers and providing a penalty			
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	\$3,500		\$
(FTE Position Changes)			
State Operations - Other Costs	500		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$4,000		\$
B. State Costs by Source of Funds			
GPR	4,000		
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, ets.)			
	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	\$4,000		\$
NET CHANGE IN REVENUE	\$		\$
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