

Fiscal Estimate Narratives

DATCP 4/9/2013

LRB Number	13-0144/1	Introduction Number	AB-0096	Estimate Type	Original
Description Prohibiting certain telephone calls using electronically prerecorded messages, rules for requesting a listing in the nonsolicitation directory, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill would impact DATCP's No Call program in several ways. We believe the aggregate net fiscal effect from these separate impacts would be additional annual costs of about \$48,000 and a one-time fiscal impact of about \$2,000 in additional revenue.

Under current law, DATCP regulates "telephone solicitations" and "telephone solicitors". Basically, this means that the No Call program is limited to regulating only phone calls (and text messages) that are made for the purpose of encouraging the recipient to purchase property, goods or services. Generally, this bill would expand the scope of the No Call program to include any call (with some exceptions) that use electronically prerecorded messages. Persons making those calls would be required to register with DATCP and would be prohibited from contacting phone numbers on the Do Not Call List. Because of this wider scope, we estimate that this bill would result in about 750 new written complaints. If so, the total additional cost would be roughly \$57,000 per year for salary & fringe and about \$15,000 for supplies and services. The additional costs would be distributed among three general areas: (1) fielding calls, e-mails and other consumer contacts asking questions about the law, (2) processing written complaints, and (3) investigating alleged violations.

Under current law, residential customers' requests to be included on the No Call List must be renewed every two years. This bill would, instead, make the listing permanent. DATCP contracts with a vendor to maintain the No Call List. The vendor has estimated that the initial programming changes would require a one-time cost of about \$10,000. Also, regularly "scrubbing" the list for outdated and unused phone numbers would cost roughly \$12,000 per year.

Under current law, telephone solicitors are required to pay DATCP an annual registration fee. The basic fee is \$700 the first year of registration, and then \$500. (There are also supplementary fees for additional phone lines, etc. – but for purposes of this fiscal estimate, we are not considering those.) This bill would result in some additional companies, individuals or organizations registering with DATCP and therefore increasing revenues to DATCP. Most would pay fees similar to the existing telephone solicitor fees. However, the bill also requires that DATCP limit fees for non-profit organizations to no more than 10% of the telephone solicitor fees. It is not known how many additional registrants would result from this bill, but for purpose of this estimate, we assume that about 71 individuals and/or for-profit businesses and about 16 non-profits would register at the basic registration fees. This means that the annual registration fee revenue to DATCP would be about \$36,000. There would be an additional \$15,000 the first year because initial registration fees are higher.

This estimate also includes a one-time cost of \$3,000 for general outreach and education activities that DATCP would have to undertake to inform consumers and callers about the new requirements.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One time cost increases of about \$13,000 and one time revenue increases of about \$15,000. Therefore, net one-time revenue increase of \$2,000.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$57,000	\$
	(FTE Position Changes)		
	State Operations - Other Costs	27,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$84,000	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS (20.115(1)(im))	84,000	
	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 (20.115(1)(im))	36,000	
	SEG/SEG-S		
	TOTAL State Revenues	\$36,000	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$84,000	\$
	NET CHANGE IN REVENUE	\$36,000	\$
Agency/Prepared By		Authorized Signature	Date
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