Fiscal Estimate - 2015 Session

☑ Original ☐ Updated	Corrected	Supplemental				
LRB Number 15-3651/1	Introduction Number	SB-375				
Description Various changes regarding the laws governing real estate practice, employment relationships between real estate licensees and real estate brokerage firms, a statute of limitations for actions against persons engaged in real estate practice, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, and granting rule-making authority						
Fiscal Effect						
Appropriations Reversible Proprietions Reversible Proprietions Reversible Proprietions		· ·				
Permissive Mandatory Perm 2. Decrease Costs 4. Decr	5.Types of Logovernment Affected Towns rease Revenue Countier School Districts	at Units Village Cities Others 0 WTCS				
Fund Sources Affected	Affected Ch. 20	Appropriations				
☐ GPR ☑ FED ☐ PRS ☐ SEG ☐ SEGS 20.445(1)(n)						
Agency/Prepared By	Authorized Signature	Date				
DWD/ Matt Aslesen (608) 267-9058	Georgia Maxwell (608) 266-2284	1/22/2016				

Fiscal Estimate Narratives DWD 1/22/2016

LRB Number	15-3651/1	Introduction Number	SB-375	Estimate Type	Original
Description					

Description

Various changes regarding the laws governing real estate practice, employment relationships between real estate licensees and real estate brokerage firms, a statute of limitations for actions against persons engaged in real estate practice, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, and granting rule-making authority

Assumptions Used in Arriving at Fiscal Estimate

The law establishes a new, dual status of employee and independent contractor for certain employees. This new and unique employee status will require more action by UI to ensure compliance with the new regulations.

The Division of Unemployment Insurance estimates there to be approximately 1,300 employers that would enter into written dual status agreements with real estate brokers. This would require an additional 433 Unemployment Insurance audits performed annually. That would require 5 additional field auditors at an annual cost of \$667,000.

The addition of dual status as an independent contractor and employee will cause these investigations to be more time consuming than current similar investigations. To facilitate these investigations, minimal computer system changes would be required. These would require 30 hours of IT work at a cost of \$2,550.

This law will have no fiscal implications for the Workers Compensation Division. It is estimated that the increase of 5 or less litigated cases per year will be absorbed by the Division's current budget.

The law will end exclusive remedy protection for the real estate firm in the event of a work-related injury sustained by a licensee (real estate broker and salesperson). With no exclusive remedy protection real estate broker business entity firms will be subject to civil actions in tort for damages by brokers and salespersons for work-related injury and/or death.

Long-Range Fiscal Implications

5 additional field auditors in the Division of Unemployment Insurance in the Department of Workforce Development at an annual cost of \$667,000.

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

X	Original	Updated	Corrected	Supplemental
LRB	Number	15-3651/1	Introduction Num	ber SB-375
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	e-time Costs o alized fiscal e	or Revenue Impacts for St ffect):	ate and/or Local Governn	nent (do not include in
The a investinvestof IT v	addition of dual tigations to be tigations, minir work at a cost	status as an independent of more time consuming than mal computer system chang of \$2,550.	current similar investigatior es would be required. Thes	ns. To facilitate these se would require 30 hours
II. An	nualized Cost	ts:		cal Impact on funds from:
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\vdash		- Salaries and Fringes	\$667,000	-
<u> </u>	E Position Character Operations			
\vdash	cal Assistance	- Other Costs		
\vdash		s or Organizations		
		Costs by Category	\$667,000	\$
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FE PR SE	O/PRS G/SEG-S FOTAL State F	NET ANNUALI	ZED FISCAL IMPACT State \$667,000	<u>Local</u> \$

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