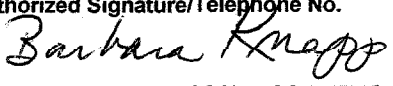


FISCAL ESTIMATE DOA-2048 N(R 10/98) <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED		List both LRB No. and Bill/Adm. Rule No. SB 40 LRB1079/1
<input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL		Amendment No. (if Applicable)
Subject Telemarketing		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation <input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Create New Appropriation		<input checked="" type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local costs <input checked="" type="checkbox"/> No local government costs 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Unit Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
Fund Source Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S		Affected Ch. 20 Appropriations 20.115(4)(a) (8) (jm)
Assumptions Used in Arriving at Fiscal Estimate <p>This bill directs DATCP to develop systems to register residential customers who do not wish to be called by telemarketers and, register telemarketers who wish to solicit Wisconsin residents. It also requires DATCP to investigate and seek penalties against violators most of whom are located outside of Wisconsin.</p> <p>Currently, telemarketing is number five on the list of most frequent consumer complaints received by DATCP. Department rules, Chapter ATCP 127, Wis. Admin. Code, enacted in August 1999, prohibit a telemarketer from soliciting a consumer who has asked the telemarketer to place them on a "do not call" list. The rules also require a telemarketer to maintain systems for ensuring consumers on this list are not called. There has not been enough time since enactment of these rules to determine if they are effective in providing consumers relief from unwanted calls.</p> <p>Stopping unwanted telemarketing solicitations is the most frequently raised issues when Consumer Protection staff talks to consumers. Based on experience, and the Department projects that a majority of Wisconsin households will register under this new law. Florida has a similar program and reports that 75,000 records had to be added or updated each quarter and nearly 8 FTE positions in their program were involved in simply producing and maintaining their list during the quarter.</p> <p>The Department anticipates writing the rules required by this bill and registering telemarketers will take approximately one year and can be accomplished using existing Department resources. Following the rule writing process, registration funds will be collected from telemarketers and used to hire permanent staff to create and populate the consumer do not call directory. The Department assumes consumer registration will be made available through the mail as well as on-line forms on the Department's Internet site. The Department will also require significant technological support to create and maintain registrations of this magnitude. To accomplish this, the Department will require 3.5 positions for initial creation of the list and continued list production.</p>		
Agency/prepared by: (Name & Phone No.) Jim Rabbitt 224-4965 DATCP	Authorized Signature/Telephone No.  Barbara Knapp (608) 224-4746	Date 2-15-01

Complaints regarding telemarketing will double to approximately 1000 per year. The Department estimates 100 complaints per year will require assignment to investigative staff for detailed investigation. Typically, these investigations will involve multiple victims and multiple jurisdictions. The Department will require 2.0 FTE investigators for enforcement activities.

Based on these assumptions, the department estimates there will be a one-time cost of \$197,845 for office and technological setup. The department assumes ongoing annual costs of \$230,900 would be offset through telemarketer registration fees.

The department assumes at least 1 year will be spent meeting the statutory requirements for writing administrative rules. The department will absorb the cost of staffing the rule-writing process. Following the promulgation of the rule, the department will register telemarketers using limited term staff and existing technology. Once telemarketer registrations generate enough funding to meet and staffing costs, permanent staff will complete the consumer directory and enforce and administer the law.

The department anticipates a significant number of consumers will use the newly created Wisconsin Consumer Portal to place their name on the list. If the Department of Administration charges DATCP for this use of the portal this estimate will be adjusted accordingly.

Long - Range Fiscal Implications

Registration fees paid by telemarketing firms will offset the annual cost. Currently other states with different requirements report their registrations generate approximately \$100,000 annual revenue. The department's estimate of \$230,900 necessary to support this bill will require significant license fees.

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FISCAL ESTIMATE WORKSHEET

2001 Session

Detailed Estimate of Annual Fiscal Effect

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.	Amendment No.
SB 40 LRB 1079/1	

DOA-2047 (R10/94)

Subject

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

\$ 197,845 Office setup, Computers, etc. Network capacity , software, programming.

II. Annualized Costs: Annualized Fiscal Impact on State Funds from:

A. State Costs by Category	Annualized Fiscal Impact on State Funds from:	
	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$ 191,300	
(FTE Position Changes)	5.5	(- FTE)
State Operations - Other Costs	\$39,600	
Local Assistance		
Aids to Individuals and Organizations		
TOTAL State Costs by Category	\$ 230,900	

B. State Costs by Source of Funds	Annualized Fiscal Impact on State Funds from:	
	Increased Costs	Decreased Costs
GPR		
FED		
PRO/PRS	\$230,900	
SEG/SEG-S		

III. State Revenues	Annualized Fiscal Impact on State Funds from:	
	Increased Rev.	Decreased Rev.
GPR Taxes		
GPR Earned		
FED		
PRO/PRS	230,900	
SEG/SEG-S		
TOTAL State Revenues		

NET ANNUALIZED FISCAL IMPACT
STATE LOCAL

NET CHANGE IN COSTS \$230,900
NET CHANGE IN REVENUES \$ 230,900

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Barbara Knapp

224-4746

Date

2-15-01