



## Fiscal Estimate Narratives

DATCP 2/6/02

LRB Number	<b>01-4395/1</b>	Introduction Number	<b>AB-762</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Ban on sale of goods and services at unreasonable prices during times of emergency					

### Assumptions Used in Arriving at Fiscal Estimate

This bill would prohibit wholesalers and retailers from selling consumer goods or services at "unreasonably excessive prices" if the governor certifies that the state is in a period of "abnormal economic disruption." The Department could absorb the one-time costs but not the enforcement costs.

Under this bill, the department would be required to promulgate administrative rules to establish formulas or other standards to be used in determining whether a wholesale or retail price is "unreasonably excessive". We estimate that it would cost the department roughly \$3,700 to comply with this rulemaking requirement. This estimate is based on 117 hours of staff time and attorney time for research, drafting, administrative tasks (i.e., filing notices in the administrative register) and holding public hearings. The department expects to absorb this cost and use existing staff to develop the rule.

The department would also be responsible for administering the enforcement of this program. It is impossible to estimate the fiscal impact of investigating and enforcing this law because of the irregular occurrence of events that would result in the governor declaring a "period of abnormal economic disruption." In some instances, the cost of administering this program would be minimal and easily absorbed into the agency's regular duties. However, in other instances, this bill might result in substantial unanticipated costs.

To ensure the agency is able to effectively enforce this law in the face of any foreseeable emergency, we recommend the legislature establish a new chapter 20 sum sufficient GPR appropriation that would be used only for enforcement of this program. The appropriation would have a balance placed in it at the beginning of each fiscal year. We suggest an appropriate funding level would be \$50,000 per year to be used for staff overtime and other extraordinary expenses associated with investigations and enforcement actions under this proposed law. Spending would only occur when the governor certifies that the state is in a "period of abnormal economic disruption". Any amount left at the end of the year would lapse back to the general fund.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
\$3,700 for cost associated with promulgating administrative rule. This includes staff time and attorney time for research, drafting and administrative requirements.		
<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs      Decreased Costs	
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$	
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$</b>	
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
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