

Fiscal Estimate Narratives

DATCP 9/15/2003

LRB Number	03-3166/1	Introduction Number	SB-246	Estimate Type	Original
Subject					
Deadlines for certain agencies to issue permits					

Assumptions Used in Arriving at Fiscal Estimate

The Chapter 20 appropriations potentially affected include, in addition to those noted above, 20.115(2)(a), (7)(a), and (7)(gm).

The proposed bill would require the agency to promulgate rules related to approval deadlines of applications, automatic approval of applications and fee refunds for failure to meet certain deadlines.

The department already has deadlines, established by rule, for many of the specified license types. For the other license types, there would be one-time costs associated with the rulemaking process for staff & attorney time for research and drafting, and other costs for holding hearings, travel, DATCP Board meetings, legislative delivery, mailings, printing, etc. There would also be additional continuing administrative costs associated with the changes.

The department estimates that the rulemaking process would require an additional 0.50 FTE program and planning analyst position for a period of approximately one year. To reduce duplication of effort, the rulemaking effort would probably be concentrated in the central administrative services program, funded by appropriation 20.115(8)(a).

Currently the department reviews and approves/disapproves almost all license applications within the established deadlines. The department anticipates that the other types of license applications subject to new specified deadlines (to be established by rule) also would be met. There would be no significant fiscal impact from the requirement to refund fees for delayed approvals of certain types of licenses.

AB 486 would require the department to notify applicants of the review deadlines at the time of receipt of the application. For some types of licenses the agency turnaround time is so short, from receipt of application to providing the license, that the department may be able to send this notification at the same time that it sends the license, at no significant additional cost. For the agency as a whole, there would be some costs associated with this new administrative step in the license renewal process, and it would take some additional time to approve license renewal applications. Currently, staff checks applications as they come in for completeness. If there is something missing (such as a financial statement or notarized signature) staff then contacts the applicant and asks for the missing information. Under this bill, staff would have to notify every applicant of the approval deadline. Additional staff time involved in a more thorough initial check of applications and sending notices is estimated to be approximately 1000 hours per year (or roughly 0.50 FTE) at an additional salary and fringe cost of approximately \$30,000 per year, and \$7500 per year for Supplies and Services including additional mailing expenses.

The automatic license approval provision (for applications not processed within the specified deadline) could result in more after-the-fact enforcement action leading to litigation. The department estimates that an additional 0.50 FTE attorney would be needed at an annual cost of \$73,000 for salary and fringe, and \$6,000 for Supplies and Services, in appropriation 20.115(8)(a).

Long-Range Fiscal Implications

Long term costs are described above.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Deadlines for certain agencies to issue permits			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
The department estimates that the rulemaking process would require an additional 0.50 FTE program and planning analyst position for a period of approximately one year. The estimated one time costs for salary, fringe, and Supplies and Services will be approximately \$53,000 in appropriation 20.115(8)(a).			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$103,000	
(FTE Position Changes)		(1.0 FTE)	
State Operations - Other Costs		13,500	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$116,500	\$
B. State Costs by Source of Funds			
GPR		79,000	
FED			
PRO/PRS		37,500	
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			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$116,500	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By			
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			Date
			9/12/2003