

Fiscal Estimate Narratives

DOR 9/9/2003

LRB Number 03-1899/2	Introduction Number AB-486	Estimate Type Original
Subject Require state agencies to act on applications for approvals within periods established by rule		

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department to promulgate rules establishing time periods within which it intends to approve or disapprove applications for specified licenses, permits, and other approvals that the department issues.

Under this bill, there are two types of rules in situations when the department fails to act on an application within the period established by rule. For some types of approvals, if the Department fails to act within the period established by rule or before the end of an authorized extension of that period, the application is automatically approved. The Department may extend the period for these approvals on the grounds that an application was incomplete. Separate rules are provided for the extension for less or more than 60 days. Under this bill the Department does not have any permits subject to the automatic approval consequences. The Department does have a number of cigarette, tobacco, and alcohol beverage permits that are subject to the fee refunds consequences. The Department is in compliance with this bill since it currently has 15 business days to process applications for a Business Tax Registration Certificate (Administrative Code 11.002(4)). However, there is no penalty under current law if the Department fails to meet the 15 days deadline. The only significant new provision is a potential revenue loss if the Department fails to issue permits within the 15 business days.

The bill also authorizes the Department to promulgate rules extending the period for acting on an application in the situation in which the applicant makes a material modification to the application or information that the agency needs to complete its review of an application is unavailable.

For other types of approvals that are not subject to automatic approval under the bill, the department must refund fees paid by an applicant for an approval if the agency fails to act within the period established by rule. In some situations the Department may extend the period for these approvals

Long-Range Fiscal Implications