

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2241/1	Introduction Number AB-334
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Subject
 Cell phone regulation

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<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"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input checked="" type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.115(1)(a)

Agency/Prepared By DATCP/ Jim Rabbitt (608) 224-4965	Authorized Signature Barb Knapp (608) 224-4746	Date 5/20/2005
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Fiscal Estimate Narratives
DATCP 5/23/2005

LRB Number 05-2241/1	Introduction Number AB-334	Estimate Type Original
Subject Cell phone regulation		

Assumptions Used in Arriving at Fiscal Estimate

This bill makes extensive changes to existing regulations that cover the sales and contracts of cellular telephones. It requires the department to write rules regulating disclosures that must be made to a cellular customer, service area maps, and service quality reports that must be produced. The proposed bill also gives consumers the right to terminate contracts under certain conditions and prohibits certain practices relating to modifying contract conditions, charging termination fees and extending contracts.

It is assumed that writing the rules as required under this proposed bill will take two years and require 1.0 FTE of staff research and legal time at a of \$55,100 annually for two years. In year three an additional 4.0 FTE would be added to bring the full staff estimate to 5.0 FTE for administration of these new requirements.

Long-Range Fiscal Implications

The department believes there are approximately 4 million cellular telephones in Wisconsin. If .1% of the state's cellular customers file complaints, it would result in an additional 4,000 complaints annually, an addition of over 20% to the existing complaint workload of the entire Bureau of Consumer Protection.

Those complaints would be expected to generate 60 in-depth investigations and 10 enforcement actions annually. This would require 5.0 FTE additional staff to enforce the law at an annual cost of \$301,000. The department assumes that the 1.0 FTE that was drafting the underlying rules would continue and an additional 4.0 FTE would begin in year 3 of this program and continue forward.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
 Office setup, computers desks telephone, year one \$10,000, year three \$40,000. Years one and two, 1.0 FTE and \$55,100 annually.

II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs

A. State Costs by Category		
State Operations - Salaries and Fringes	\$238,500	
(FTE Position Changes)	(5.0 FTE)	
State Operations - Other Costs	62,500	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$301,000	\$

B. State Costs by Source of Funds		
GPR	301,000	
FED		
PRO/PRS		
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, ets.)

	Increased Rev	Decreased Rev
GPR Taxes	\$0	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$0	\$

NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$301,000	\$
NET CHANGE IN REVENUE	\$0	\$

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Date

5/20/2005