

Fiscal Estimate Narratives
DATCP 5/31/2005

LRB Number	05-1202/1	Introduction Number	AB-415	Estimate Type	Original
Subject					
Do not call: cell phones, threats by telemarketers, list expiration					

Assumptions Used in Arriving at Fiscal Estimate

This bill extends the time that a telephone number may be on the existing Wisconsin No-Call list from two(2) years to five (5)years. The department has information that between 10% and 20% of all telephone numbers change owners annually. The current 2 year limit on the list was done in recognition that the numbers need to be updated periodically to ensure the validity of the list. Under this bill, the department anticipates contracting with a service to periodically check the numbers and ensure that they are still owned by the person who placed them on the list.

This bill will allow qualified cellular telephones to be added to the No-Call list. It is assumed that there are two cellular telephone numbers for every "hard wired" telephone number thus, under either administrative option, the list and administration and enforcement efforts will increase by 200%.

Administration of current no-call law is funded by fees charged to telemarketers who are required to register with the department and obtain a copy of the list. Under this bill and existing rules those annual fees are collected in quarterly installments which may be reduced or waived if the program fund exceeds program needs. The department has waived two quarters of the past year's fees and the first quarter of the current year. It is assumed that some costs associated with this bill can be absorbed by increasing the spending authority and having the department collect additional quarterly installments of the current registration fees.

It is assumed that the size of the no-call list will increase by approximately 2.8 million numbers. The department has a contract with a vendor to maintain the web site and toll free number by which consumer can register their number on the list. The vendor also compiles the list and ships it to telemarketers who register with the department. The cost to add cellular numbers to the list is estimated at \$300,000. This cost can be recouped by increased spending authority.

Additionally, No-Call complaints are expected to increase. The department anticipates an additional 3,000 complaints annually, resulting in approximately 100 in-depth investigations. The current list is administered by 5.5 FTE. The department anticipates an additional 3.0 FTE will be necessary to process the increase in compliance efforts. Additional spending authority of \$180,600 from existing funds will cover the expenses associated with these positions.

Finally, the department anticipates contracting with a telephone number validation service to monitor numbers as they are changed by consumers. It is assumed that if one-third of the numbers were checked annually it would cost approximately \$1.5 million. These costs could be absorbed by increasing spending authority and the department collecting full annual fees from registered telemarketers.

Administration of this law will require authorization for 3.0 FTE employees and increased expenditure authority of \$1,980,500 from the existing No-Call account.

Long-Range Fiscal Implications

Additional spending authority equalling \$1,980,500 and 3.0 FTE position authority will be necessary for administration and enforcement of this bill.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-1202/1		Introduction Number AB-415	
Subject			
Do not call: cell phones, threats by telemarketers, list expiration			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
Office setup, Computers, etc. \$30,000			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$143,100	
(FTE Position Changes)		(3.0 FTE)	
State Operations - Other Costs		1,837,500	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$1,980,600	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS		1,980,600	
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		1,980,600	
SEG/SEG-S			
TOTAL State Revenues		\$1,980,600	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$1,980,600	\$
NET CHANGE IN REVENUE		\$1,980,600	\$
Agency/Prepared By		Authorized Signature	Date
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