

Fiscal Estimate Narratives

DHFS 10/18/2005

LRB Number	05-1480/1	Introduction Number	AB-742	Estimate Type	Original
Description Transferring a permit to operate a hotel, restaurant, bed and breakfast, rooming house, or vending machine					

Assumptions Used in Arriving at Fiscal Estimate

A permit is required under current law to operate a hotel, restaurant, bed and breakfast, rooming house, or vending machine. Permits may be obtained from the Department or from a local public health department (LPHD). The cost of the permit varies with the type of establishment and the permit must be renewed annually. With the exception of family members, a permit may not be transferred to another person when ownership of an establishment changes.

AB 742 allows permits to be transferred when the holder of the permit reorganizes an establishment into a different type of business, provided the establishment remains at the location for which the permit was issued and at least one individual who had an ownership interest in the establishment continues to have an ownership interest in the new entity.

It is estimated the Department or LPHDs perform preinspections of new or transferred facilities for approximately 10% of total licensed facilities annually. Of these preinspections, approximately 10% are required by a change in legal status. The Department thus estimates that there will be 1% fewer permits issued annually. This represents a loss of approximately 1% of annual permit revenue, or \$20,000, to the Department as a result of this bill. It is not possible, based on information available, to estimate the loss in revenue to local public health agencies as a result of this bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Transferring a permit to operate a hotel, restaurant, bed and breakfast, rooming house, or vending machine			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
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, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			-20,000
SEG/SEG-S			
TOTAL State Revenues		\$	\$-20,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-20,000	\$
Agency/Prepared By		Authorized Signature	Date
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