

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3682/1	Introduction Number AB-786
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Description
 Prohibiting charging grossly excessive prices for consumer goods and services and providing a penalty

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
- Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
- Decrease Existing Appropriations
 Decrease Existing Revenues
 Yes
 No
- Create New Appropriations
 Decrease Costs

Local:

- No Local Government Costs
 - Indeterminate
 - 1. Increase Costs
 3. Increase Revenue
 - Permissive Mandatory
 Permissive Mandatory
 - 2. Decrease Costs
 4. Decrease Revenue
 - Permissive Mandatory
 Permissive Mandatory
5. Types of Local Government Units Affected
- Towns
 Village
 Cities
 - Counties
 Others
 - School Districts
 WTCS Districts

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) (appropriation 105)	

Agency/Prepared By	Authorized Signature	Date
DATCP/ Kevin LeRoy (608) 224-4928	Barb Knapp (608) 224-4746	11/2/2005

Fiscal Estimate Narratives

DATCP 11/3/2005

LRB Number	05-3682/1	Introduction Number	AB-786	Estimate Type	Original
Description Prohibiting charging grossly excessive prices for consumer goods and services and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill would create s. 100.54, Wis. Stats., which would prohibit charging grossly excessive prices for consumer goods and services. While the bill specifically requires the Attorney General to investigate and enforce the proposed law, it does not specially exclude DATCP's more general enforcement authority (that relates to the entire Chapter 100). Therefore, this bill could result in some additional obligation for DATCP to investigate and enforce alleged violations of the provision.

Furthermore, this bill could result in a substantial increase in calls to the Consumer Information Hotline operated by DATCP. Price increases for an astonishingly large number of goods and or service could potentially be violations of law under this bill. Therefore, DATCP would be obligated to -- at a minimum -- take the complaint, maintain a record of the contact including relevant facts reported by the consumer, and refer the allegation to the Department of Justice. Even this minimal involvement with each individual complaint would quickly multiply the amount of DATCP's resources required during periods of price increases. When we consider how volatile home heating and motor vehicle fuel prices have been over the past several years, we can see that this bill could substantially increase call traffic into the Consumer Protection Hotline, thereby straining DATCP's regular resources.

This fiscal estimate assumes DATCP would need to add about 1.0 FTE (Consumer Specialist) to help keep-up with the increased call volume, at an annual cost of about \$56,000 and one-time start-up cost of about \$10,000.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Description Prohibiting charging grossly excessive prices for consumer goods and services and providing a penalty			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$10,000			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$56,000	
(FTE Position Changes)		(1.0 FTE)	
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$56,000	\$
B. State Costs by Source of Funds			
GPR		56,000	
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, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$56,000	\$
NET CHANGE IN REVENUE		\$	\$
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