

Fiscal Estimate Narratives

DATCP 3/30/2007

| | | | | | |
|--|-----------|---------------------|---------|---------------|----------|
| LRB Number | 07-2073/2 | Introduction Number | AB-0217 | Estimate Type | Original |
| Description Prohibitions against certain telephone and facsimile solicitations, authorizing a private cause of action, and providing a penalty | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

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 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. It is assumed that all additional costs associated with this bill can be absorbed by increasing the spending authority and collecting 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 \$718,000. This cost can be recouped by increased spending authority in the existing account.

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 6.5 FTE. The department anticipates an additional 3.0 FTE will be necessary to process the increase in compliance efforts. Additional spending authority from existing funds will cover the expenses associated with these positions.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

| | | | |
|---|--|--|-----------------|
| LRB Number 07-2073/2 | | Introduction Number AB-0217 | |
| Description Prohibitions against certain telephone and facsimile solicitations, authorizing a private cause of action, and providing a penalty | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Office setup, desks, telephones, computers, and supplies \$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 | | \$157,300 | \$ |
| (FTE Position Changes) | | (3.0 FTE) | |
| State Operations - Other Costs | | 755,500 | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | | \$912,800 | \$ |
| B. State Costs by Source of Funds | | | |
| GPR | | | |
| FED | | | |
| PRO/PRS | | 912,800 | |
| 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 | | | |
| | | State | Local |
| NET CHANGE IN COSTS | | \$912,800 | \$ |
| NET CHANGE IN REVENUE | | \$ | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
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