

Fiscal Estimate Narratives

DOR 9/22/2011

LRB Number	11-1062/2	Introduction Number	AB-0223	Estimate Type	Original
Description Awarding costs in administrative agency actions					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, individuals, small nonprofit corporations, and small businesses that are the prevailing party in a legal case brought by an administrative agency may submit a motion to recover certain costs from the state. "Small business" is defined as a business entity that has 25 or fewer full time employees or has an annual gross income of less than \$5,000,000. "Small nonprofit corporation" is defined as a nonprofit corporation which employs fewer than 25 employees. Individuals may submit a motion for costs if their federal adjusted gross income was less than \$150,000 in each of the three years prior to an agency's action.

Under the bill, any trust or person that is the prevailing party in a legal brought by an administrative agency may submit a motion to recover costs from the state. The bill eliminates the income and size limitations for prevailing parties to recover costs.

The bill would increase the number of parties eligible for cost recovery. Depending on the size and frequency of prevailing parties' request for costs, the annual fiscal effect of the bill as it pertains to DOR's responsibilities could range from \$0 to \$200,000 or substantially more. In particular, major cases involving large business entities pertaining to corporate income taxes, sales taxes, and manufacturing assessments may lead to significant costs under the bill. Under s. 227.485 (8), If a state agency is ordered to pay costs under this section, the costs shall be paid from the applicable appropriation under s. 20.865 (1) (a), (g), or (q).

Administrative costs could be covered with the reallocation of the department's legal resources.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Awarding costs in administrative agency actions			
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		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$see text	\$see text
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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