

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-3716/2	Introduction Number AB-0617
Description Lodging establishments and restricting a local government's ability to prohibit or restrict a person from renting out of the person's residential dwelling	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Local:	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input checked="" type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.435 1 (gm) Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
DHS/ Caroline Ellerkamp (608) 266-9364	Andy Forsaith (608) 266-7684
Date	
2/29/2012	

Fiscal Estimate Narratives

DHS 2/29/2012

LRB Number	11-3716/2	Introduction Number	AB-0617	Estimate Type	Original
Description Lodging establishments and restricting a local government's ability to prohibit or restrict a person from renting out of the person's residential dwelling					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, various types of lodging establishments, including hotels, bed and breakfast establishments and tourist rooming houses, are regulated by the Department of Health Services (DHS).

This bill excludes a residential dwelling that is rented exclusively for seven or more consecutive days from the definition of a hotel, bed and breakfast or tourist rooming house. As a result, this bill excludes a residential dwelling meeting the aforementioned criteria from regulation by DHS.

AB 617 defines a residential dwelling as a "building, structure, or part of the building or structure, that is primarily used and occupied for human habitation or intended to be so used and includes any appurtenances belonging to it or usually enjoyed with it." The Department interprets this definition to include tourist rooming houses, thereby removing tourist rooming houses from DHS regulation and inspection.

The Department currently licenses 1,161 of these establishments. Ending DHS regulation would decrease fee revenue to the Department by \$127,000 annually. Local health departments also license and inspect an additional 1,407 of these establishments on behalf of DHS. Revenue to these entities would decrease by approximately \$154,000 annually. In addition, the changes in AB 617 would compel DHS to undergo rule revision in order to remove administrative code requirements currently in place that describe this regulatory function. DHS estimates that it would expend approximately \$50,000 in staff time and resources to revise the existing administrative code. DHS will use existing positions to perform this workload.

The Department does not anticipate savings in staff resources from ending inspection of tourist rooming houses. The Department inspects 14,000 facilities annually. The staff that inspect tourist rooming houses also inspect other types of facilities, such as hotels, bed and breakfasts and restaurants. In addition, while most types of facilities are inspected annually, tourist rooming houses are only inspected every couple of years. The reduction in staff workload from ending tourist rooming house inspection, consequently, is relatively small, resulting in no position reductions.

In total, the Department estimates annually the provisions of this bill would result in \$177,000 in reduced fee revenue and staff time/resources to DHS, and \$154,000 in reduced fee revenue to local health departments.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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Description Lodging establishments and restricting a local government's ability to prohibit or restrict a person from renting out of the person's residential dwelling		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): DHS estimates that approximately \$50,000 in staff time and resources would be needed to revise the existing administrative code to reflect the changes in AB 617.		
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		-127,000
SEG/SEG-S		
TOTAL State Revenues	\$	-\$127,000
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-127,000	-\$154,000
Agency/Prepared By		
Authorized Signature		Date
DHS/ Caroline Ellerkamp (608) 266-9364		2/29/2012
Andy Forsaith (608) 266-7684		