

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-4473/1	Introduction Number SB-631	
Description Registration and other requirements for charitable organizations, professional fund-raisers, fund-raising counsel, and professional employer organizations and modifying rules promulgated by the Department of Financial Institutions		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input checked="" type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations		
<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 20.144(1)(g)		
Agency/Prepared By DFI/ Susan Dietzel (608) 267-0399	Authorized Signature Susan Dietzel (608) 267-0399	Date 2/1/2016

Fiscal Estimate Narratives

DFI 2/1/2016

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Description Registration and other requirements for charitable organizations, professional fund-raisers, fund-raising counsel, and professional employer organizations and modifying rules promulgated by the Department of Financial Institutions					

Assumptions Used in Arriving at Fiscal Estimate

This bill updates legislation governing the statutes that provide oversight over the regulation of charitable organizations, professional fundraisers, fund-raising counsels and professional employer organizations in Wisconsin. The Department of Financial Institutions regulates these entities.

Among others, the changes include:

- An increase to the annual contribution threshold from \$5,000 to \$25,000 for which a charitable organization must register with the Department.
- An increase to the annual threshold at which a charitable organization must complete an outside review of finances for their initial and annual reporting from \$200,000 to \$300,000
- An increase to the annual threshold at which a charitable organization must have an outside financial audit from \$400,000 to \$500,000
- Increase to 12 months the amount of time charitable organizations have to file their annual reports including their reviewed and audited financial statements where applicable
- Requiring annual reports to be in a form prescribed by the Department
- Modernizing administrative requirements to enable the Department to respond to changes in the industry

The change to the contribution threshold will reduce the number of annual report filings to the Department. At this time, there are 1,785 registrants who may be exempt under the new requirements. A certain number of those will continue to register either because they may hover near the threshold, they opt to register as current exempt charitable organizations do now, or they are required to based on other criteria. Assuming 1,500 no longer register and pay the annual fee (\$54), the annual reduction in revenue would be approximately \$81,000.

There will be administrative savings associated with the proposed changes. As more charitable organizations are exempt from filing and requirements are simplified, the amount of processing time will be reduced. Staff will focus more on larger and more complex entities.

Long-Range Fiscal Implications