

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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1. Type of Estimate and Analysis

Original    Updated    Corrected

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2. Administrative Rule Chapter, Title and Number

ETH 21 – Practice and Procedure

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3. Subject

The procedure by which Ethics Commission staff may provide advice on behalf of the Commission pursuant to WIS. STAT. § 19.46(2)(b).

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4. Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

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5. Chapter 20, Stats. Appropriations Affected

N/A

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6. Fiscal Effect of Implementing the Rule

No Fiscal Effect    Increase Existing Revenues    Increase Costs  
 Indeterminate    Decrease Existing Revenues    Could Absorb Within Agency's Budget  
 Decrease Cost

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7. The Rule Will Impact the Following (Check All That Apply)

State's Economy    Specific Businesses/Sectors  
 Local Government Units    Public Utility Rate Payers  
 Small Businesses (if checked, complete Attachment A)

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8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes    No

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9. Policy Problem Addressed by the Rule

The proposed rule repeals Chapter ETH 21 in its entirety. The Ethics Commission adopted a new policy governing the conditions under which the staff of the commission may respond to requests for advice on behalf of the Commission on March 7, 2017.

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10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

N/A

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11. Identify the local governmental units that participated in the development of this EIA.

N/A

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12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The Commission finds that the proposed rule will have no economic impact on small businesses.

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13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Promulgating the rule brings Chapter ETH 21 into conformity with 2015 Wisconsin Act 118 and the Ethics Commission new policy governing the conditions under which staff of the commission may respond to requests for advice on behalf of the Commission.

The alternatives would be to either leave the rule as it currently exists or amend the rule to reflect the Commission's current policy. Leaving the rule in place as it currently exists could create confusion among the regulated community as to how to request advice as it refers to a position that no longer exists. Amending the rule to reflect the Commission's current policy is possible, but due to the cumbersome nature of the rulemaking process is not ideal should the Commission decide to modify its policy in the future.

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14. Long Range Implications of Implementing the Rule

Promulgating this rule allows the Ethics Commission to be more flexible in setting the conditions under which commission staff may respond to requests for advice on behalf of the Commission.

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15. Compare With Approaches Being Used by Federal Government

The Federal Election Commission (FEC) issues advisory opinions to any entity that is unclear about the application of FECA to its prospective activities. If the activity had been prescribed previously, the FEC will advise within the relevant advisory opinion. 52 U.S.C. § 30108; 11 CFR § 112. Informal advice is given for procedural matters such as which reports to file, or how to register a committee, but not in regards to the application of opinions or statutes.

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16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

**Illinois:** The Illinois State Board of Elections issues formal advice only within a narrow scope of campaign finance law. All other advice is given on an informal basis by staff. Ill. Admin. Code tit. 26 § 125.710

**Iowa:** In practice the Ethics and Disclosure Board director and staff issue informal advice which does not hold the same force as advice requested and given through the declaratory order process. Advice is only binding when it is given as a declaratory order in response to a petition regarding the applicability of statutes, policies decisions, or orders. Iowa Admin. Code r. 351—12.7(1).

**Michigan:** Permits staff to issue advice within the parameters of declaratory rulings and interpretive statements already issued at the discretion of the Secretary of State. For matters outside of declaratory rulings, interested persons must submit a request for a new ruling. Mich. Comp. Laws § 169.215(2).

**Minnesota:** Permits staff to issue nonbinding informal advice. Formal advisory opinions are issued only to parties covered by the request and are binding on the board and subsequent proceedings regarding only the party or parties involved. Minn. Stat. § 10A.02 subd. 12 (2016).

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17. Contact Name

David P. Buerger

18. Contact Phone Number

(608) 267-0951

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**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)  
 Yes    No

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