

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 21-2136/1	<b>Introduction Number</b> SB-285
<b>Description</b> Department of Revenue enforcement and providing a penalty	
<b>Fiscal Effect</b>	
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations  <input type="checkbox"/> Decrease Existing Appropriations  <input type="checkbox"/> Create New Appropriations                 </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues                 </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget  <div style="display: flex; justify-content: space-around; font-size: small;"> <input type="checkbox"/> Yes      <input type="checkbox"/> No                     </div> <input type="checkbox"/> Decrease Costs                 </div> </div>	
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">                 1. <input type="checkbox"/> Increase Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                  2. <input type="checkbox"/> Decrease Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory             </div> <div style="width: 30%;">                 3. <input type="checkbox"/> Increase Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                  4. <input type="checkbox"/> Decrease Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory             </div> <div style="width: 30%;">                 5. Types of Local Government Units Affected  <input type="checkbox"/> Towns      <input checked="" type="checkbox"/> Village      <input checked="" type="checkbox"/> Cities  <input type="checkbox"/> Counties      <input type="checkbox"/> Others  <input type="checkbox"/> School Districts      <input type="checkbox"/> WTCS Districts             </div> </div>	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
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<b>Date</b> 5/13/2021	

## Fiscal Estimate Narratives

DOA 5/13/2021

LRB Number	21-2136/1	Introduction Number	SB-285	Estimate Type	Original
<b>Description</b> Department of Revenue enforcement and providing a penalty					

### Assumptions Used in Arriving at Fiscal Estimate

Senate Bill 285 (SB-285) proposes certain changes to the way in which the Department of Revenue (DOR) enforces and administers the laws under its purview. Several of the provisions pertain to the issuance and holding of tobacco and liquor licenses, specifically the way in which they are granted, and the enforcement mechanisms by which DOR can address violations of current license laws. Certain other provisions under SB-285 concern the establishment of criminal penalties and the creation of standard form applications.

As pertaining to the Department of Administration (Department), the proposed creates a new administrative hearings procedure under which DOR may assess and collect administrative forfeitures for alcohol beverage violations.

Under current law, an assessment (violation) would be levied against an organized entity such as a corporation or a limited liability company for the violation of a singular member or employee, whereas the bill would allow DOR to directly assess, against a person, specified forfeitures for specified violations of alcohol beverage laws. To initiate the newly proposed administrative procedure DOR would need to first issue a notice of assessment (violation) to the person that includes the amount of the forfeiture, the alleged violation, and inform the individual of their right to a hearing. Under the bill, it would be the duty of the Department's Division of Hearings and Appeals (DHA) to hold hearings on these appeals, if the person issued a citation contests.

DHA is responsible for holding administrative hearings across the State for a wide array of subject matter, including but not limited to corrections, worker's compensation, and general government appeals.

Generally, DHA has not handled the appeals on alcohol beverage permit assessments. The Department anticipates that the number of cases appealed and heard by DHA would increase as a result of SB-285, by an approximate 10 appealed citations per year. The addition of this type of appeals, which is not currently typically administered by DHA, would require additional one-time and ongoing efforts from DHA staff reassigned from other adjudicatory functions to learn and administer hearings for this new functional area of law. The Department anticipates that the additional staff time is able to be absorbed under currently existing DHA staff workloads.

DHA hearings services are authorized under s. 20.505(4)(kp), Wis. Stats., hearings and appeals fees, which under the proposed, would be funded by billings to DOR to cover the costs of the services, as would be authorized under the newly created s. 227.43(3)(bt), Wis. Stats. Based upon the estimated increase to its caseload, the Department anticipates that it would be able to absorb the additional personnel time required within currently existing position and expenditure authority under s. 20.505(4)(kp), Wis. Stats.

As pertaining to the Department, the bill's impact to local units of government is indeterminate and generally not resulting from the proposed administrative hearings.

### Long-Range Fiscal Implications