

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number **01-4021/3** Introduction Number **SB-414**

Subject
 Regulation of business opportunities

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs 3. Increase Revenue
 Permissive Mandatory
 Permissive Mandatory
 2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory
 Permissive Mandatory

5. Types of Local Government Units Affected

Towns Village Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS 20.115(1)(jg)

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DATCP 3/7/02

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Assumptions Used in Arriving at Fiscal Estimate

This bill requires business enterprises that offer opportunities to invest in their plan based on income representations to register with the department, pay a registration fee of \$300, and file a bond or surety to guarantee performance on their promises. The department assumes that approximately 350 business opportunity plans will be required to register under this law. The department assumes a 0.5 FTE financial specialist will be necessary to process the registrations and bonds. Additionally, because business opportunity plans are often offered by itinerants who set up temporary meetings in hotels, the department assumes that investigations into violations of this law will be complex and multi-state. The department therefore would need 2.0 FTE investigators to investigate violations and ensure compliance with this law.

The department will develop the automated registration and security systems using existing resources.

The department believes the revenues will cover the projected expenditures.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Regulation of business opportunities			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$26,700, office setup, computers desks etc.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$88,600	
(FTE Position Changes)		(2.5 FTE)	
State Operations - Other Costs		18,200	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$106,800	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS		106,800	
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, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS (105,000)		105,000	
SEG/SEG-S			
TOTAL State Revenues		\$105,000	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$106,800	\$
NET CHANGE IN REVENUE		\$105,000	\$
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