

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-4312/1	Introduction Number AB-0767
------------------------------------	---

Description
 Changes to the membership of the Small Business Regulatory Review Board, notification to the Small Business Regulatory Review Board of bills with an economic impact on small businesses, and the role of the Office of the Small Business Advocate in the Department of Commerce

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

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"/> 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
<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	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOR/ Michael Oakleaf (608) 261-5173	Authorized Signature Rebecca Boldt (608) 266-6785	Date 3/8/2010
--	---	-------------------------

Fiscal Estimate Narratives

DOR 3/8/2010

LRB Number	09-4312/1	Introduction Number	AB-0767	Estimate Type	Original
Description Changes to the membership of the Small Business Regulatory Review Board, notification to the Small Business Regulatory Review Board of bills with an economic impact on small businesses, and the role of the Office of the Small Business Advocate in the Department of Commerce					

Assumptions Used in Arriving at Fiscal Estimate

Current Law - If an agency determines that a proposed administrative rule may have a significant economic impact on small businesses, the agency must forward a copy of the proposed rule to the Wisconsin Small Business Regulatory Review Board (the board). The board includes six representatives from small business, eight state agency representatives and one representative each from the Senate and the Assembly. The board reviews proposed administrative rules to ensure that agencies comply with the statutory requirement that they consider methods to reduce small business compliance and reporting costs resulting from the rule.

For each proposed rule that will have an effect on small businesses, an agency must prepare a final regulatory flexibility analysis that includes certain information, including a summary of issues raised by small businesses and any changes made to the proposed rule as a result of information and provided by small businesses. A final regulatory flexibility analysis is not required if the agency determines that the rule will not have a significant economic impact on a substantial number of small businesses.

Proposed Change - The bill eliminates from the board the representatives of all state agency representatives and increases the number of representatives of small businesses on the board to seven.

The bill requires an agency to forward a copy of a proposed administrative rule or an emergency rule to the board if the rule may have an economic impact on small businesses, irrespective of whether the potential impact on small business is significant or not.

The bill directs the board to determine whether a proposed rule or emergency rule will have a significant economic impact on a substantial number of small businesses. If the board determines that a proposed rule or emergency rule will have a significant economic impact on a substantial number of small businesses, the board may submit suggested changes in the proposed rule to minimize the economic impact of the proposed rule or emergency rule, or may recommend that the proposed rule, but not the emergency rule, be withdrawn.

Under the bill, a final regulatory flexibility analysis is not required if the board, and not the agency, determines that the rule will not have a significant economic impact on small businesses.

The bill requires each agency, to the extent possible, to 1) provide assistance to small businesses to help small businesses comply with rules promulgated by the agency; 2) establish reduced fines and alternative enforcement mechanisms for minor violations of administrative rules by small businesses; 3) consider the use of a written warning or alternative penalty against a small business found to be in violation of a rule if the small businesses made a good faith effort to comply with the rule and the rule does not pose a threat to public health, safety, or welfare or to the environment or the workplace.

Fiscal Estimate

In general, administrative rules promulgated by the department do not have a fiscal effect independent of the statutes that the rules interpret. In general, the administrative rules proposed by the department provide clarity and guidance to taxpayers to aid them in complying with tax laws and filing tax returns. To the extent that the bill results in any significant delay in the promulgation of permanent rules, compliance with tax laws may be affected if taxpayers lack the necessary guidance of a rule. The fiscal effect resulting from lack of compliance in the absence of rules is unknown but is not expected to be significant.

Any additional administrative costs that result from the bill will be absorbed by the Department.

Long-Range Fiscal Implications