

Fiscal Estimate Narratives
DATCP 2/17/2012

LRB Number	11-3314/3	Introduction Number	AB-0634	Estimate Type	Original
Description The prohibition on telephone solicitations to residential customers, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill replaces the state No Call non-solicitation registry with the Wisconsin portion of the national Do Not Call registry. Telephone solicitors would be prohibited from making solicitations, as defined by state law, to Wisconsin residential landline and wireless telephone numbers on the national registry. Residential telephone customers who wish to be on the Wisconsin No Call list would need to register with the Federal Trade Commission (FTC). Listings on the national registry are permanent and no renewals are required. Otherwise, state law continues to apply and consumers may file complaints with the department. The bill requires the department to publicize the new registration procedure for residential customers. The new law would take effect on the first day of the fourth month beginning after publication.

This bill ends the requirement that the department maintain its own state No Call non-solicitation registry. Currently, the department contracts with a vendor to perform this work, which includes maintenance of the registry, managing the No Call website and phone system, and signing up registrants. The department expects that with implementation of the new law it would terminate its contract with the vendor. Any future registrations would be directed to the FTC, which is responsible for maintaining the federal registry. The department would update its website and internal phone system to direct new registrations to the FTC.

The department is currently under contract with the vendor for calendar year 2012. The contract may be terminated early, but the department will be liable for any expenses incurred by the vendor to that point. To ensure that all consumers are protected it will be necessary to maintain the state registry for the first 31 days following transition to the federal registry. The cost of the contract varies depending on the number of new registrations and whether registrations are completed by telephone or website.

The department assumes that passage of this bill will have no fiscal impact on the budget for FY 2012. Depending on when the bill is enacted, the department is likely to see a cost savings in FY 2013 resulting from termination of the vendor contract. Based on average costs from 2009-2011, the cost savings could range from a high of approximately \$190,000 if the contract is terminated June 30, 2012, to a low of approximately \$83,000 if the contract is terminated December 31, 2012. Since the department would not renew its contract for calendar year 2013, it expects to see an ongoing annual savings of approximately \$190,000 beginning in FY 2014. The department plans to redirect this savings to increase enforcement activities.

The FTC does not charge states to merge the residential telephone numbers on their registries with the federal registry; however, the department's vendor estimates that it will cost \$15,000 to \$18,000 to transfer data to the FTC and transition the registration system. The department anticipates that this amount can be absorbed.

The department expects that there will be a transition period to implement this new law; however, it assumes that any associated costs can be absorbed. The department will publicize the new registration procedure and conduct outreach to educate the public. It will also contact telephone solicitors to inform them about the new requirements. The department will need to train staff to mediate complaints and conduct investigations using the federal registry. It will also be necessary to update state No Call program printed materials. Finally, the department plans to initiate rulemaking to bring its administrative rule in conformity with statute.

In conclusion, the department estimates an annual savings of approximately \$190,000 beginning in FY 2014, which is attributed to termination of the department's contract with the vendor that maintains the state No Call non-solicitation registry. The department plans to redirect this savings to increase enforcement activities. The department also estimates a one-time cost of approximately \$18,000 to complete the data transfer and transition the registration system. The department expects that this amount and any other costs associated with implementation of this bill can be absorbed.

Long-Range Fiscal Implications