

FISCAL NOTE

Requested by Legislative Council
12/14/2000

Bill/Resolution No.: HB 1034

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to fund levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$150,000		\$150,000
Expenditures			\$500,000		\$366,750	\$150,000
Appropriations			\$500,000		\$366,750	\$150,000

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The investigation and enforcement of antitrust violations would require three additional fte positions: an attorney, legal assistant and investigator. In addition, the measure would require expert witness fees, travel expenses, investigation costs, equipment costs and some outside counsel costs. All of these costs are speculative because many of the expenses will be directly related to the actual number of investigations and/or legal actions. Actual investigation costs and expert witness fees will proportionately increase with the number of investigations and actions. These projections are based on five or less investigations each biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Other funds revenues of \$150,000 are projected for both the 2001-03 and 2003-05 bienniums. For projection purposes, the midpoint of the estimated range of \$0 - 300,000 is used for each biennium. These projected revenues represent civil penalties and reimbursement of investigation costs and attorney's fees in the event of successful legal action, when appropriate. The amount of revenue may vary.

substantially based upon the number of and the success with such cases. Any revenues will likely be realized near the end of the biennium

(and could even be received in the next biennium as a result of enforcement efforts in the previous biennium). The 2001-03 biennium

revenues are anticipated to be available for the 2003-2005 biennium, which would reduce General Fund expenditures and appropriations

and increase other funds expenditures and appropriations by the same amounts.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

1. Salaries and Wages-General Fund- three fte positions (attorney, legal assistant and investigator):

- \$286,000 for the 2001-03 biennium
- \$297,000 in the 2003-05 biennium

2. Operating Expenses -

- Professional Services- \$170,000 from the General Fund for the 2001-03 biennium; \$183,750 for the 2003-05 biennium - Expert witness fees and expenses reimbursement are critical in these types investigations and enforcement actions.
- Travel - \$15,000 General Fund for the 2001-03 biennium; \$15,750 for the 2003-05 biennium - these case and investigations would involve a substantial amount of travel for the positions.
- Professional Supplies - \$15,000 from the General Fund for the 2001-03 biennium; \$15,750 for the 2003-05 biennium - This includes office supplies, specialized software to manipulate a very high volume of documents, postage, telephone, copying, and resource materials expenses.
- Dues and Professional Development - \$4,000 from the General Fund for the 2001-03 biennium; \$2,000 for the 2003-05 biennium. Antitrust is a highly technical and complex area and initially would require substantial training for all three fte positions.

3. Equipment - \$10,000- from the General Fund for the 2001-03 biennium; \$2,500 for the 2003-05 biennium - Computer and printer

equipment, as well as office furniture, would be needed for these positions. Computer storage and processing would be needed to store, retrieve, and manipulate hundreds of thousands of documents.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

This bill contains a \$500,000 General Fund appropriation to the Office of Attorney General. This appropriation was **excluded** from the executive budget. For the 2003-05 biennium appropriation, the General Fund amount could be reduced by other funds revenues.

Again, the midpoint of the projected range of \$0 - \$300,000 in estimated revenues is used for this purpose.

The amounts shown below
are for the 2001-03 and 2003-05 bienniums respectively.

Salaries - \$286,000/\$297,000 Salaries - see the detail provided in the expenditures section of this fiscal note.

Operating Expenses - \$204,000/\$219,750 - see the detail provided in the expenditures section of this fiscal note.

Equipment - \$10,000/\$2,500 - see the detail provided in the expenditures section of this fiscal note.

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		Prepared:	