PURPOSE

The Utah Department of Commerce is the licensing and registration agency for Utah’s professional and corporate community. Business registrations, professional licensing, consumer protection and education, oversight of public utilities and monitoring real estate and securities industries are all in the department’s scope.

ISSUES

See: Issue Brief – Commerce Fees. The Legislature must approve department fees.

See: Issue Brief – Federal Funds. The Legislature must approve federal funds.

Division of Occupational and Professional Licensing (DOPL) Construction Expert (manager level) at a cost of $104,000 from the Commerce Service Fund. This temporary position was created at the request of industry and the Legislature. This request is to make the position permanent.

Proprietary Schools Investigator at a cost of $66,400 from the Commerce Service Fund. The number of schools has increased by 157% in three years.

Software rebuild of the Uniform Commercial Code online filing system at a cost of $350,000 from the Commerce Service Fund. This would allow all types of filing to take place online.

Real Estate Investigator at a cost of $63,100 from the Commerce Service Fund. This a workload driven request.

INTENT

The Analyst recommends the following intent statements:

for Commerce General Regulation line item:

The Legislature intends that at the end of the fiscal year, unused funds for the Committee on Consumer Services lapse to the Committee’s Professional and Technical Services and that unused funds for Public Utilities lapse to Public Utilities Professional and Technical Services line item.

for Public Utilities Professional & Technical Services and for the Committee of Consumer Services Professional and Technical Services line items:

The Legislature does not intend to lapse these funds.

SUPPLEMENTAL INTENT:

Under the terms of Section 63-38-8.1 Utah Code Annotated, up to $100,000 of Item 61 is non-lapsing for the purpose of rebuilding its Uniform Commercial Code Online Filing System.

Funding appropriated to implement H. B. 260, Amendments Related to Pornographic and Harmful Materials, is non-lapsing.

BUDGET AT A GLANCE
ACCOUNTABILITY

Division of Professional Licensing (DOPL)

Measure: Complaints Received vs. Citations.
Goal: To investigate legitimate complaints and issue a citation where applicable. Citations are used to reduce complaints.
Methodology: This is a count of complaints received and citations issued.
Measure Type: Complaints are a workload measure while citations are an output measure.

Securities

Measure: Operating expenses as a percent of revenue generated.
Goal: Maximize revenues while operating a comparatively minimal expense.
Methodology: Divide division operating expenses by revenues generated.
Measure Type: Efficiency.

Consumer Protection

Measure: Consumer protection complaints handled.
Goal: Investigate legitimate complaints and close cases effectively in proportion.
Methodology: This is a straight count of complaints assigned and closed. It does not address backlog.
Measure Type: Workload and efficiency.

Corporations

Measure: Corporations business renewals
Goal: Make business renewals less burdensome and reduce the need to add FTE to cover growth.
Methodology: This is a straight count of total business renewals with a breakout of the number of online renewals
Measure Type: Workload and output.
**Real Estate**

**Measure**: Real Estate investigations closed.

**Goal**: To investigate legitimate complaints and close more cases in a timely manner.

**Methodology**: This is a count of the number of investigations closed.

**Measure Type**: Output.

**Public Utilities**

**Measure**: Public Utilities Complaints Handled

**Goal**: To improve service levels and decrease the overall number of customer complaints.

**Methodology**: This is simple count of the number of complaints handled by the Public Utilities division.

**Measure Type**: Output.
The Analyst recommends the FY 2007 base budget shown below. The $50,000 in General Fund is to implement H.B. 260, Amendments Related to Pornographic and Harmful Materials.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>0</td>
<td>50,000</td>
<td>0</td>
<td>50,000</td>
<td>0</td>
<td>50,000</td>
</tr>
<tr>
<td>General Fund, One-time</td>
<td>0</td>
<td>100,000</td>
<td>0</td>
<td>100,000</td>
<td>(100,000)</td>
<td>0</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>199,100</td>
<td>245,900</td>
<td>0</td>
<td>245,900</td>
<td>0</td>
<td>245,900</td>
</tr>
<tr>
<td>Dedicated Credits Revenue</td>
<td>1,483,700</td>
<td>1,716,500</td>
<td>10,000</td>
<td>1,726,500</td>
<td>0</td>
<td>1,726,500</td>
</tr>
<tr>
<td>GFR - Commerce Service</td>
<td>14,783,400</td>
<td>15,443,600</td>
<td>510,300</td>
<td>15,953,900</td>
<td>(207,500)</td>
<td>15,746,400</td>
</tr>
<tr>
<td>GFR - CSF - PURF</td>
<td>4,361,300</td>
<td>4,504,400</td>
<td>(143,100)</td>
<td>4,361,300</td>
<td>0</td>
<td>4,361,300</td>
</tr>
<tr>
<td>GFR - Pawnbroker Operations</td>
<td>0</td>
<td>45,000</td>
<td>(45,000)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Real Estate Education and Recovery</td>
<td>0</td>
<td>2,000</td>
<td>(2,000)</td>
<td>0</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Transfers</td>
<td>22,300</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transfers - Within Agency</td>
<td>22,300</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pass-through</td>
<td>0</td>
<td>75,200</td>
<td>(75,200)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Beginning Nonlapsing</td>
<td>1,119,700</td>
<td>426,400</td>
<td>1,129,300</td>
<td>1,555,700</td>
<td>(755,900)</td>
<td>799,800</td>
</tr>
<tr>
<td>Closing Nonlapsing</td>
<td>1,555,700</td>
<td>(55,400)</td>
<td>(4,300)</td>
<td>791,300</td>
<td>607,800</td>
<td>(192,000)</td>
</tr>
<tr>
<td>Lapsing Balance</td>
<td>1,813,900</td>
<td>0</td>
<td>(24,200)</td>
<td>1,789,700</td>
<td>(2,900)</td>
<td>(27,100)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,577,600</strong></td>
<td><strong>$22,553,600</strong></td>
<td><strong>$295,600</strong></td>
<td><strong>$22,849,200</strong></td>
<td><strong>($456,500)</strong></td>
<td><strong>$22,392,700</strong></td>
</tr>
</tbody>
</table>

**Line Items**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerce General Regulation</td>
<td>17,864,000</td>
<td>21,852,600</td>
<td>194,300</td>
<td>22,046,900</td>
<td>(437,600)</td>
<td>21,609,300</td>
</tr>
<tr>
<td>Public Utilities Professional &amp; Technical Services</td>
<td>97,200</td>
<td>136,000</td>
<td>(11,000)</td>
<td>125,000</td>
<td>0</td>
<td>125,000</td>
</tr>
<tr>
<td>Committee of Consumer Services Professional and</td>
<td>616,400</td>
<td>565,000</td>
<td>112,300</td>
<td>677,300</td>
<td>(18,900)</td>
<td>658,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,577,600</strong></td>
<td><strong>$22,553,600</strong></td>
<td><strong>$295,600</strong></td>
<td><strong>$22,849,200</strong></td>
<td><strong>($456,500)</strong></td>
<td><strong>$22,392,700</strong></td>
</tr>
</tbody>
</table>

**Categories of Expenditure**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>13,840,500</td>
<td>15,749,800</td>
<td>558,300</td>
<td>16,308,100</td>
<td>(73,000)</td>
<td>16,235,100</td>
</tr>
<tr>
<td>In-State Travel</td>
<td>69,700</td>
<td>82,200</td>
<td>(3,300)</td>
<td>78,900</td>
<td>0</td>
<td>78,900</td>
</tr>
<tr>
<td>Out of State Travel</td>
<td>117,400</td>
<td>167,800</td>
<td>(34,400)</td>
<td>133,400</td>
<td>0</td>
<td>133,400</td>
</tr>
<tr>
<td>Current Expense</td>
<td>3,757,400</td>
<td>5,373,900</td>
<td>(516,500)</td>
<td>4,857,400</td>
<td>91800</td>
<td>4,857,400</td>
</tr>
<tr>
<td>DP Current Expense</td>
<td>599,600</td>
<td>827,900</td>
<td>228,300</td>
<td>1,056,200</td>
<td>(369,000)</td>
<td>1,056,200</td>
</tr>
<tr>
<td>DP Capital Outlay</td>
<td>53,000</td>
<td>259,600</td>
<td>(206,600)</td>
<td>53,000</td>
<td>0</td>
<td>53,000</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>47,000</td>
<td>12,900</td>
<td>(54,900)</td>
<td>5,000</td>
<td>0</td>
<td>5,000</td>
</tr>
<tr>
<td>Other Charges/Pass Thru</td>
<td>93,000</td>
<td>79,500</td>
<td>(4,500)</td>
<td>75,000</td>
<td>0</td>
<td>75,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,577,600</strong></td>
<td><strong>$22,553,600</strong></td>
<td><strong>$295,600</strong></td>
<td><strong>$22,849,200</strong></td>
<td><strong>($350,200)</strong></td>
<td><strong>$22,499,000</strong></td>
</tr>
</tbody>
</table>

**Other Data**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted FTE</td>
<td>262.0</td>
<td>259.0</td>
<td>3.0</td>
<td>262.0</td>
<td>1.0</td>
<td>265.0</td>
</tr>
<tr>
<td>Vehicles</td>
<td>34</td>
<td>34</td>
<td>0</td>
<td>34</td>
<td>0</td>
<td>34</td>
</tr>
</tbody>
</table>

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.