

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5517-01
Bill No.: HB 1915
Subject: Attorney General; Consumer Protection
Type: Original
Date: February 20, 2018

Bill Summary: This proposal modifies provisions relating to the no-call list.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Merchandising Practices Revolving	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Attorney General (AGO)** assume that any potential costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if there is a significant increase in litigation.

Oversight inquired the AGO regarding the number of cases over the last 5 years and how much was collected in judgements. The money received for the judgements goes to the Merchandising Practices Revolving Fund (0631). The following is their response:

Fiscal Year	# of cases resolved	Judgements in those cases	Collected on # of cases	Collections
2013	5	\$134,000	3	\$71,500
2014	17	\$758,000	12	\$225,500
2015	5	\$739,000	3	\$593,416
2016	6	\$30,500	3	\$10,500
2017	11	\$526,433	4	\$275,433

Source: Office of the Attorney General

The AGO notes there are several default judgments that have never been collected on and also judgments where the amount imposed was suspended (while complying with an injunction).

Officials at the **Office of the State Courts Administrator** assume no fiscal impact from this proposal.

Oversight assumes the proposal could increase the size of the judgements and the amount of civil penalties collected by the AGO; however, Oversight does not have information to estimate the fiscal impact. Therefore, Oversight will reflect a potential additional income to the Merchandising Practices Revolving Fund of \$0 to Unknown.

Oversight assumes the provision requiring the AGO to give \$100 of the final judgement to the citizen who reported the violation would not result in a material cost to the state and has not reflected it in the fiscal note, but could possibly increase the number of reported violations.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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**MERCHANDISING PRACTICES
 REVOLVING FUND**

Income - AGO - increased civil penalties for violations (and repeat violations) of the state's no-call list	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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ESTIMATED NET EFFECT TO THE MERCHANDISING PRACTICES REVOLVING FUND	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill changes the penalty provisions for knowingly violating the law relating to the no-call list. The bill creates a \$2,500 to \$5,000 civil penalty for the first violation, a \$5,000 to \$10,000 penalty for the second violation, and a \$7,500 to \$15,000 penalty for the third violation. The bill also requires that whenever the Attorney General is successful in any proceeding it initiates against a violator of the no-call list law, that at least \$100 from any civil penalty be awarded to the individual who reported the violation.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Office of the Attorney General
Office of the State Courts Administrator

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director
February 20, 2018