

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5517-02  
Bill No.: Perfected HCS for HB 1915  
Subject: Attorney General; Consumer Protection  
Type: Original  
Date: April 18, 2018

---

Bill Summary: This proposal modifies provisions relating to the no-call list and changes provisions of law regarding sales of authentic American Indian arts or crafts.

**FISCAL SUMMARY**

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

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

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

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

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

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

## FISCAL ANALYSIS

### ASSUMPTION

#### §407.1107

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 resolved 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	# of cases with collections	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 there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

**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.

ASSUMPTION (continued)

§407.315 - House Amendment #1

In response to similar legislation from this year, HB 1384, and for the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of labeling articles as being American Indian or craft when they are not. This offense could be punishable by 30 to 90 days incarceration. While the number of new cases may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation.

**Oversight** assumes the SPD can absorb the additional caseload that may result from this proposal.

In response to similar legislation from this year, HB 1384, officials at the **Office of the Attorney General (AGO)** assumed 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.

Officials at the **Office of the State Courts Administrator** assume there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

In response to similar legislation from this year, HB 1384, officials at the **Office of Prosecution Services** assumed no fiscal impact from this proposal. The creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional costs which are difficult to determine.

**Oversight** assumes the county prosecutors can absorb the additional caseload that may result from this proposal or request additional funding through annual budget requests.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
---	---------------------	---------	---------

**MERCHANDISING PRACTICES  
 REVOLVING FUND**

Income - AGO - increased civil penalties for violations (and repeat violations) of the state's no-call list (§407.1107)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
---	-----------------------	-----------------------	-----------------------

**ESTIMATED NET EFFECT TO THE  
 MERCHANDISING PRACTICES  
 REVOLVING FUND**

<u><b>\$0 or Unknown</b></u>	<u><b>\$0 or Unknown</b></u>	<u><b>\$0 or Unknown</b></u>
------------------------------	------------------------------	------------------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
---	---------------------	---------	---------

<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></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.

L.R. No. 5517-02  
Bill No. Perfected HCS for HB 1915  
Page 6 of 6  
April 18, 2018

SOURCES OF INFORMATION

Office of the Attorney General  
Office of the State Courts Administrator  
Office of the State Public Defender  
Office of Prosecution Services

Ross Strope

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

Acting Director  
April 18, 2018