

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3365-01
Bill No.: SB 680
Subject: Consumer Protection
Type: Original
Date: February 17, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

The following agencies indicated there would be no direct fiscal impact to their agencies as a result of this proposed legislation: **Department of Insurance; Department of Economic Development - Division of Finance and Division of Credit Unions; Office of State Public Defender; Department of Revenue - State Tax Commission; Department of Public Safety - Office of the Director; Department of Social Services - Division of Information Technology Services, Division of Legal Services, Division of Medical Services, Division of Family Support, Human Resource Center.**

Officials from the **Office of State Courts Administrator** indicate there may be some increase in the number of civil cases files, but do not anticipate a fiscal impact on the judiciary

Officials from the **Office of Prosecution Services** state this proposal will not have a significant fiscal impact on county prosecutors, although it may lead to an increase in prosecutions/caseloads.

Officials from the **Department of Health and Senior Services (DOHSS)** state this proposal would not be expected to fiscal impact the operations of DOHSS. If a fiscal impact were to result, funds to support the program would be sought through the appropriations process.

ASSUMPTION (continued)

According to officials from the **Department of Corrections (DOC)**, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY03 average of \$3.15 per offender, per day or an annual cost of \$1,150 per offender).

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Department of Revenue - Division of Legal Services (DOR)** could not determine the statistics to accurately determine the number of records that may be breached. Currently DOR has complex security features to regulate access to the various systems; therefore the volume of security breaches is unknown and DOR cannot determine associated costs. **Oversight** assumes, based on responses from other agencies, that any costs to DOR could be absorbed within existing resources. If a significant fiscal impact were to result, funds would be sought through the appropriations process.

Officials from the **Office of Attorney General (AGO)** assume that any costs generated by this bill can be absorbed with existing resources. The AGO already takes complaints about identity theft. While this proposal, if adopted, may require the AGO to update certain consumer protection publications, the provisions appear to be self executing in that a consumer who requests a credit freeze may initiate private legal action to enforce that provision if the credit bureau fails to honor the request. To the extent that the AGO may receive new complaints of this nature, the AGO assumes that it can absorb any additional costs from these new complaints. However, if the number of complaints exceeds the number anticipated, the AGO may seek appropriations to handle the additional caseload.

The following local political subdivisions indicated there would be no fiscal impact to their respective entities: **City of Kansas City; Springfield Police Department; Parkway School District; Platte County; St Louis Metropolitan Police Department; Nodaway County Treasurer; Cass County; Jasper County.**

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
	<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.

DESCRIPTION

The proposed legislation prohibits the sharing of personal financial information with any unauthorized person unless the individual consents to such.

The proposal requires a business or person that conducts business in this state and owns or licenses computerized data to disclose any breach of security of that data to any Missouri resident whose information may, or potentially may have been, acquired by an unauthorized person. Notification requirements are laid out in the proposal.

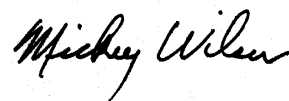
The proposed legislation contains a penalty provision for violations.

The proposal allows for an individual to place security alerts and security freezes on their credit report, notifying any recipients of the report that the individual may have been a victim of identity theft, and prohibiting the release of the individual's information without the express consent of the consumer. The proposal details the obligations of consumer reporting agencies in response to this option.

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

SOURCES OF INFORMATION

Office of the Attorney General
Department of Insurance
Department of Health and Senior Services
Department of Economic Development
 Division of Finance
 Division of Credit Unions
Office of State Public Defender
Office of Prosecution Services
Department of Revenue
 State Tax Commission
Office of State Courts Administrator
Department of Public Safety
 Office of the Director
Department of Social Services
 Division of Information Technology Services
 Division of Legal Services
 Division of Medical Services
 Division of Family Support
 Human Resource Center
City of Kansas City
Local Law Enforcement
 Springfield Police Department
 St Louis Metropolitan Police Department
Parkway School District
Counties
 Platte
 Cass County
 Jasper
 Nodaway County Treasurer



Mickey Wilson, CPA
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