

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4766-01  
Bill No.: SB 1110  
Subject: Attorney General; Bonds – Surety; Business and Commerce; Motor Vehicles  
Type: Original  
Date: March 24, 2006

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$52,061)	(\$54,432)	(\$55,850)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$52,061)</b>	<b>(\$54,432)</b>	<b>(\$55,850)</b>

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of the Attorney General (AGO)** assume that this proposal would require one new consumer investigator (at \$28,000 per year) to maintain a list of those companies providing a bond and communicating with those companies about the bonding requirement. This investigator would also be responsible for following up on complaints about companies who are not bonded pursuant to this provision. In addition, the AGO assumes that it will have to create a new form for companies to use when submitting evidence of their bond. AGO assume the cost of the proposal would be approximately \$55,000 per fiscal year.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE FUND</b>			
<u>Cost – Attorney General</u>			
Personal Service (1 FTE)	(\$23,917)	(\$29,418)	(\$30,153)
Fringe Benefits	(\$10,538)	(\$12,962)	(\$13,285)
Equipment and Expense	<u>(\$17,606)</u>	<u>(\$12,052)</u>	<u>(\$12,412)</u>
<u>Total Cost – AGO</u>	(\$52,061)	(\$54,432)	(\$55,850)
<b>ESTIMATED NET EFFECT TO GENERAL REVENUE FUND</b>	<b><u>(\$52,061)</u></b>	<b><u>(\$54,432)</u></b>	<b><u>(\$55,850)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	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

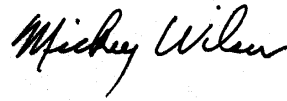
This legislation requires that before a party enters into any non-prepayment vehicle repossession contract, the party contracting to receive delivery of the vehicle shall file a bond with the Attorney General in the amount of \$25,000 to secure faithful performance of the contract. The Attorney General has the authority to demand additional bond if the original appears inadequate, insecure, exhausted, or otherwise doubtful.

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. 4766-01  
Bill No. SB 1110  
Page 4 of 4  
March 24, 2006

SOURCES OF INFORMATION

Office of the Attorney General

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 24, 2006