

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5347-01
Bill No.: SB 1113
Subject: Consumer Protection
Type: Original
Date: April 3, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$127,498)	(\$137,617)	(\$141,178)
Total Estimated Net Effect on General Revenue Fund	(\$127,498)	(\$137,617)	(\$141,178)

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 4 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

Officials from the **Department of Economic Development** assume the proposal would have no fiscal impact on their agency.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Office of the Attorney General (AGO)** assume it would require 2 Assistant Attorneys General II (each at \$37,500 per year) to research federal regulation under FTC rules and the rules of any other federal or state regulatory body.

Under current law, there is no reference to FTC rules in Missouri's consumer laws. This proposal will impact a number of consumer cases and that these cases would be more expensive to bring forward because the AGO would have to provide background for the court about whether any applicable FTC rules apply and, if such rules do apply, the AGO would have to research those rules and relevant decisions under those rules in bringing its case.

ASSUMPTION (continued)

Finally, AGO would have to determine which cases do not fall under this proposal because the language of subsection 2 states that “this section shall not apply to actions or transactions otherwise permitted or approved by the Federal Trade Commission or any other regulatory body or officer acting under statutory authority of this state or the United States.”

AGO estimates the total cost of the proposal to be approximately \$127,000 in FY 07, \$138,000 in FY 08, and \$141,000 in FY 09.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
GENERAL REVENUE FUND			
<u>Costs – Office of the Attorney General</u>			
Personal Service (2 FTE)	(\$64,063)	(\$78,797)	(\$80,767)
Fringe Benefits	(\$28,226)	(\$34,718)	(\$35,586)
Equipment and Expense	<u>(\$35,209)</u>	<u>(\$24,102)</u>	<u>(\$24,825)</u>
<u>Total Costs – AGO</u>	<u>(\$127,498)</u>	<u>(\$137,617)</u>	<u>(\$141,178)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$127,498)</u>	<u>(\$137,617)</u>	<u>(\$141,178)</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

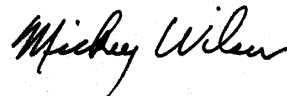
The proposed legislation directs the courts to be guided by the Federal Trade Commission's (FTC) guidelines on merchandising practices in pertinent cases and exempts any transactions that have been approved by the FTC from the provisions in the act.

The proposed legislation contains an emergency clause and would be in effect upon passage and approval.

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
Office of State Courts Administrator
Department of Economic Development



Mickey Wilson, CPA
Director
April 3, 2006