

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3562-03  
Bill No.: SCS for HB 1384 & HB 2157  
Subject: Crimes and Punishment; Victims of Crime; Law Enforcement Officers and Agencies; Consumer Protection  
Type: Original  
Date: April 18, 2008

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Bill Summary: This proposal modifies certain provisions relating to protection of consumers against fraudulent practices.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(Under \$100,000)	(Under \$100,000)	(Under \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Under \$100,000)</b>	<b>(Under \$100,000)</b>	<b>(Under \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<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 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</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 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration, Office of the Secretary of State, Department of Public Safety - Director's Office and Highway Patrol** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of the State Courts Administrator** assume the proposal would not fiscally impact the courts.

Officials from the **Department of Corrections (DOC)** state this proposed legislation modifies certain provisions relating to protection of consumers against fraudulent practices. The penalty provision component of the bill resulting in potential fiscal impact for the DOC, is for a class C felony.

DOC states that currently, they 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 either through incarceration (FY07 average of \$41.21 per inmate, per day or an annual cost of \$15,040 per inmate) or through supervision provided by the Board of Probation and Parole (FY07 average of \$2.43 per offender, per day or an annual cost of \$887 per offender).

In summary, supervision by the DOC through probation or incarceration would result in additional unknown costs to the department. Seven (7) persons would have to be incarcerated per fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new crime, it is assumed the impact would be less than \$100,000 per year for the DOC.

In response to a similar proposal from this year (SB 712), the **Office of the Attorney General** assumed any potential costs associated with the proposal could be absorbed with existing resources.

Officials from the **Springfield Police Department** and the **Boone County Sheriff's Department** each assume the proposal would not fiscally impact their agencies.

ASSUMPTION (continued)

Officials from the **Office of the State Public Defender, Office of Prosecution Services, St. Charles Police Department, St. Louis Metropolitan Police Department, Kansas City Police Department,** and the **Independence Police Department** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
<b>GENERAL REVENUE</b>			
<u>Costs - Department of Corrections</u>			
Probation or incarceration of violators of Section 570.380 (class C felony)	(Under <u>\$100,000</u> )	(Under <u>\$100,000</u> )	(Under <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>(UNDER <u>\$100,000</u>)</b>	<b>(UNDER <u>\$100,000</u>)</b>	<b>(UNDER <u>\$100,000</u>)</b>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may have a fiscal impact on small businesses that sell products with rebates. In addition, the proposal could have a negative impact on small businesses that need to conduct credit checks and find out a consumer has placed a security freeze on his/her account.

FISCAL DESCRIPTION

A person commits a class C felony if he or she manufactures or possesses five or more fictitious or forged means of identity with the intent to distribute to others for the purpose of committing a crime.

FISCAL DESCRIPTION (continued)

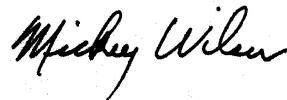
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety  
Office of the State Courts Administrator  
Department of Corrections  
Office of the Attorney General  
Department of Insurance, Financial Institutions and Professional Registration  
Office of the Secretary of State  
Springfield Police Department  
Boone County Sheriff's Department

**NOT RESPONDING:**

**Office of the State Public Defender**  
**Office of Prosecution Services**  
**St. Charles Police Department**  
**St. Louis Metropolitan Police Department**  
**Kansas City Police Department**  
**Independence Police Department**



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Director  
April 18, 2008