

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3562-06  
Bill No.: Truly Agreed To and Finally Passed SS for SCS for HB 1384 & HB 2157  
Subject: Crimes and Punishment; Victims of Crime; Law Enforcement Officers and Agencies; Consumer Protection  
Type: Original  
Date: May 27, 2008

---

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 6 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>

## FISCAL ANALYSIS

### ASSUMPTION

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

Officials from the and **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Office of the Attorney General (AGO)** assume any potential costs associated with the proposal could be absorbed with existing resources. The AGO may need to update certain consumer publications to reflect the provisions contained in this proposal.

Officials from the **Office of Prosecution Services (OPS)** state the fiscal impact to County Prosecutors is unknown. The provisions of this proposed legislation create new criminal offenses and modify existing criminal laws. In the absence of any estimates of the number of additional criminal cases that would be referred to County Prosecutors for charges because of this proposed legislation, it is not possible to provide estimates concerning the extent of any fiscal impact.

It is assumed this proposal would not have a significant direct fiscal impact on the Office of Prosecution Services.

In response to a previous version of this proposal, officials from the **Department of Corrections (DOC)** stated 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.

ASSUMPTION (continued)

DOC stated 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 previous version of this proposal, officials from the **Springfield Police Department** and the **Boone County Sheriff's Department** each assume the proposal would not fiscally impact their agencies.

Officials from the **Office of the State Public Defender, 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 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.

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. 3562-06

Bill No. Truly Agreed To and Finally Passed SS for SCS for HB 1384 & HB 2157

Page 6 of 6

May 27, 2008

### 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

Office of Prosecution Services

Springfield Police Department

Boone County Sheriff's Department

### **NOT RESPONDING:**

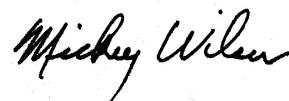
**Office of the State Public Defender**

**St. Charles Police Department**

**St. Louis Metropolitan Police Department**

**Kansas City Police Department**

**Independence Police Department**



Mickey Wilson, CPA

Director

May 27, 2008