

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1963-01
Bill No.: SB 479
Subject: Attorneys; Fees
Type: Original
Date: April 2, 2013

Bill Summary: This proposal repeals a section of law relating to prepaid legal service plans.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Insurance Dedicated	(\$19,800)	(\$23,700)	(\$23,700)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$19,800)	(\$23,700)	(\$23,700)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Office of the State Public Defender** and **Department of Social Services** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state that at the present time, the department licenses 738 producers for prepaid legal, of which 475 are only licensed for prepaid legal. It is estimated that the fiscal impact of the repeal of this section will result in a loss of licensure fee revenue to the Insurance Dedicated Fund.

Licenses are renewed every 2 years at a fee of \$100. Based on the assumption that one half of the licensees renew every year, loss of revenue to the Insurance Dedicated Fund would be \$23,700 (237 renewals x \$100).

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
INSURANCE DEDICATED FUND			
<u>Loss - DIFP</u>			
Licensure Fee Revenue	<u>(\$19,800)</u>	<u>(\$23,700)</u>	<u>(\$23,700)</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>(\$19,800)</u>	<u>(\$23,700)</u>	<u>(\$23,700)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses in the practice of prepaid legal fees will be fiscally impacted by this proposal.


FISCAL DESCRIPTION

This proposal repeals a statute that requires a person who solicits membership on behalf of a prepaid legal service to be licensed as an insurance agent. The proposal also repeals the definition of "prepaid legal service plan."

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

Attorney General's Office
Department of Social Services
Office of the State Public Defender
Department of Insurance, Financial Institutions
and Professional Registration



Ross Strobe
Acting Director
April 2, 2013