

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4740-01  
Bill No.: Perfected SB 610  
Subject: Contracts and Contractors; Consumer Protection; Property, Real and Personal;  
 Insurance - Property  
Type: Original  
Date: February 11, 2014

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Bill Summary: This proposal extends consumer protections against predatory business practices by contractors to owners of commercial properties.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$36,859)	(\$39,549)	(\$40,036)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$36,859)</b>	<b>(\$39,549)</b>	<b>(\$40,036)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
General Revenue	0.5	0.5	0.5
<b>Total Estimated Net Effect on FTE</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Attorney General's Office (AGO)** assume this proposal gives the department new authority to pursue commercial (as opposed to residential) roofers for certain violations. The AGO assumes this would result in an increased caseload necessitating at least an additional 1/2 FTE. The AGO would seek additional appropriations as needed to enforce the proposal.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume this proposal will have no fiscal impact on their department. If the adoption of the proposal results in an increase in consumer inquiries, the department believes it could absorb the workload within existing appropriations. However, should the extent of the work be more than anticipated, the department would request additional appropriation and/or FTE through the budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE FUND</b>			
<u>Costs - AGO</u>			
Personal Service	(\$18,333)	(\$22,220)	(\$22,442)
Fringe Benefits	(\$9,351)	(\$11,333)	(\$11,447)
Equipment and Expense	<u>(\$9,175)</u>	<u>(\$5,996)</u>	<u>(\$6,147)</u>
<u>Total Costs - AGO</u>	<u>(\$36,859)</u>	<u>(\$39,549)</u>	<u>(\$40,036)</u>
FTE Change - AGO	.5 FTE	.5 FTE	.5 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$36,859)</u></b>	<b><u>(\$39,549)</u></b>	<b><u>(\$40,036)</u></b>
Estimated Net FTE Change on the General Revenue Fund	.5 FTE	.5 FTE	.5 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

This proposal would allow small businesses with commercial property to have protections against predatory business practices by contractors.

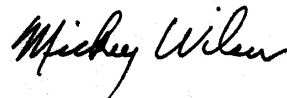
FISCAL DESCRIPTION

Currently, consumer protections against predatory business practices by building contractors are only afforded to owners of residential property. This proposal expands those consumer protections to owners of commercial properties.

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 Insurance, Financial Institutions and Professional Registration  
Attorney General's Office



Mickey Wilson, CPA  
Director  
February 11, 2014

Ross Strobe  
Assistant Director  
February 11, 2014