

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4603-01
Bill No.: SB 751
Subject: Attorney General, State; Consumer Protection; Credit and Bankruptcy;
 Merchandising Practices
Type: Original
Date: January 15, 2016

Bill Summary: This proposal bans the sale of event tickets that have a credit card entry restriction to consumers without a signed acknowledgment by the consumer.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections (DOC)** assume this proposal bans the sale of event tickets that have a credit card entry restriction to consumers without a signed acknowledgment by the consumer.

This bill would add another possible Class D felony (after January 1, 2017 a possible Class E felony) punishable under 407.020. However, no one has currently been charged under the previous statute, so there is no data on current sentences.

The FY `15 average cost of supervision is \$6.04 per offender per day or an annual cost of \$2,205 per offender. The DOC cost of incarceration is \$16.809 per day or an annual cost of \$6,135 per offender.

The DOC would assume this legislation will result in long term costs as indicated in the chart below.

ASSUMPTION (continued)

	# to Prison	Cost Per Year	Total Cost Prison	# to Probation and/or Parole	Cost Per Year	Total Cost of Probation and Parole	Grand Total Prison and Probation
Year 1 (10 mos)	1.0	(\$6,135)	(\$6,135)	2.0	(\$2,205)	(\$4,410)	(\$8,788)
Year 2 (2% inflation)	1.5	(\$6,135)	(\$9,203)	4.5	(\$2,205)	(\$9,923)	(\$19,508)
Year 3 (2% inflation)	1.5	(\$6,135)	(\$9,203)	7.5	(\$2,205)	(\$16,538)	(\$26,780)
Year 4 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$28,485)
Year 5 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$29,055)
Year 6 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$29,363)
Year 7 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$30,229)
Year 8 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$30,834)
Year 9 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$31,450)
Year 10 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$32,079)

Oversight assumes any potential costs to the Department of Corrections arising from this proposal can be absorbed with existing resources.

ASSUMPTION (continued)

Officials from the **Office of Prosecution Services** assume that the creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional costs which are difficult to determine.

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

Officials from the **Office of State Courts Administrator, State Public Defender's Office, Department of Public Safety and Department of Insurance, Financial Institutions and Professional Registration** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

There could be a fiscal impact to small businesses as a result of this proposal.

FISCAL DESCRIPTION

This proposal bans the sale of event tickets that have a credit card entry restriction to consumers without a signed acknowledgment by the consumer. Such acknowledgment shall be signed prior to the beginning of any time limitation placed on electronic event ticket purchases, and prior to the purchase of such event ticket for all other purchases. A violation of this proposal shall be considered an unlawful practice.

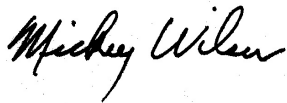
FISCAL DESCRIPTION (continued)

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

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SOURCES OF INFORMATION

Department of Corrections
Attorney General's Office
Department of Insurance, Financial Institutions and Professional Registration
Office of Prosecution Services
State Public Defender's Office
Office of State Courts Administrator
Department of Public Safety



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Director
January 15, 2016

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January 15, 2016