

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2122S.01I
Bill No.: SB 554
Subject: Consumer Protection
Type: Original
Date: April 10, 2023

Bill Summary: This proposal creates provisions relating to product repair requirements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE			

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** assume the proposal will have no fiscal impact on the judiciary.

Officials from the **Attorney General’s Office (AGO)** assume any potential litigation costs arising from this proposal may be absorbed with existing resources. Because the volume of the litigation is unknown, the cost is also unknown. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation.

Oversight assumes the proposal would not have a material fiscal impact on the Office of the State Courts Administrator or the Attorney General’s Office.

Oversight notes subsection 407.653.11 allows for the AGO to collect a \$500 fine for violations of this section, payable to the school fund of the county in which the complaint arose. Oversight will reflect the possible fine revenue to local schools as \$0 or an unknown amount.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
LOCAL SCHOOL DISTRICTS			
<u>Fine Revenue – for violations of §407.653 - \$500 per violations</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT TO LOCAL SCHOOL DISTRICTS	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

FISCAL IMPACT – Small Business

Small repair businesses or small businesses that need repair work completed could be impacted by this proposal.

FISCAL DESCRIPTION

This act provides that owners of products purchased or used in Missouri shall have the right to:

(1) Access the same diagnostic and repair information that manufacturers supply to independent repair providers or authorized repair providers as specified in the act; and

(2) Purchase service parts available upon fair and reasonable terms as specified in the act.

Under the act, an authorized repair provider shall have the right to purchase diagnostic, service, or repair information in a standardized format with other manufacturers, instead of a proprietary format from a manufacturer if the manufacturer sells such information to independent repair providers or third-party providers as provided in the act.

The act further provides that owners and independent repair providers shall have the right to purchase from manufacturers of products sold or used in the state all diagnostic repair tools as described in the act.

Furthermore, manufacturers that provide repair information to aftermarket tools, diagnostics, or third-party service information publications and systems have fully satisfied their obligations under this provision and are not responsible for the content and functionality of aftermarket diagnostic tools or service information systems.

Under the act, manufacturers of products sold or used in this state for the purpose of providing security-related functions shall not exclude diagnostic, service, or repair information necessary to reset a security-related electronic function from information provided to owners and independent repair providers. If necessary for security purposes, manufacturers may provide such information to owners and independent repair providers through an appropriate secure data release system.

The act provides that nothing in this act shall require the manufacturer to divulge a trade secret.

This act shall not be read, interpreted, or construed to abrogate, interfere with, contradict, or alter the terms of an agreement between an authorized repair provider and a manufacturer pursuant to the authorized repair agreement. An exception includes disputes between a manufacturer and its authorized repair provider related to either party's compliance with an existing repair agreement as described in the act.

This act shall not require manufacturers or authorized repair providers to provide an owner or independent repair provider access to non-diagnostic and non-repair information provided by a manufacturer to an authorized repair provider pursuant to the terms of an authorizing agreement.

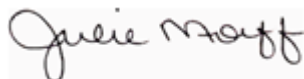
Under the act, an independent provider or owner who believes that a manufacturer has failed to provide information described in the act shall notify the manufacturer in writing and give the

manufacturer thirty days from the time the manufacturer receives the complaint to cure the failure. If the manufacturer cures such failure within thirty days, damages are limited to actual damages in any future litigation. If the manufacturer fails to cure such failure or if an independent repair provider or owner is not satisfied with the manufacturer's cure, the independent repair provider may file a complaint in circuit court as described in the act. The Attorney General shall enforce this act. Each violations under this act shall be punishable by a five-hundred-dollar fine, which shall be deposited into the school fund of the county in which the action arose.

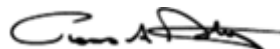
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Attorney General's Office



Julie Morff
Director
April 10, 2023



Ross Strope
Assistant Director
April 10, 2023