

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3290S.01I
 Bill No.: SB 963
 Subject: Telecommunications; Consumer Protection; Business and Commerce
 Type: Original
 Date: January 4, 2024

Bill Summary: This proposal creates provisions relating to telephone solicitations to businesses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Merchandising Practices Revolving Fund (0631)*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

*Oversight assumes this proposal could increase collections by the AGO from offenders, but assumes the amount of collections would not reach the \$250,000 threshold.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- 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 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight inquired of the AGO regarding the number of cases resolved in the past and the amount collected in judgements. The money received for judgements goes to the Merchandising Practices Revolving Fund (0631). This is the information they provided:

Year	# of cases	Judgements	# of collections	Collections
2014	17	\$758,000	12	\$260,500
2015	7	\$1,109,000	4	\$605,917
2016	6	\$43,000	4	\$18,000
2017	11	\$805,433	6	\$305,433
2018	1	\$500,133	1	\$135
2019	1	\$85,000	1	\$8,500
2020	0	\$0	0	\$0
2021	0	\$0	0	\$0
2022	0	\$0	0	\$0
2023	3	\$244,753,640	2	\$15,000

Oversight notes that the AGO stated the proposal would not have a direct fiscal impact on their organization. Oversight assumes this proposal may increase the number of cases referred to the AGO and could result in an increase in fine collections under this chapter. Oversight will reflect a \$0 or Unknown (assumed to be less than \$250,000 in additional collections resulting from these changes) positive fiscal impact to the Merchandising Practices Revolving Fund.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
MERCHANDISING PRACTICES REVOLVING (0631)			
<u>AGO</u> – Potential increase in judgement collections for expansion of Telemarketing No-Call statutes §§407.1095 – 407.1110 p. 3	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT TO THE MERCHANDISING PRACTICES REVOLVING (0631)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

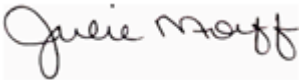
FISCAL DESCRIPTION

This act extends provisions relating to telemarketing practices to business subscribers, defined in the act. The Attorney General shall develop literature to help consumers understand their options with regard to telephone solicitations no later than January 1, 2025, instead of January 1, 2001, as provided in the current law.

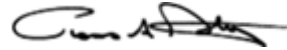
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office



Julie Morff
Director
January 4, 2024



Ross Strobe
Assistant Director
January 4, 2024