

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3626-01  
Bill No.: SB 857  
Subject: Consumer Protection; Merchandising Practices  
Type: Original  
Date: January 8, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
None			
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
None			
<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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

**FISCAL ANALYSIS**

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**ASSUMPTION**

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Office of Attorney General** assume the costs of the proposed legislation could be absorbed within existing resources.

Officials from the **Office of Prosecution Services (OPS)** assume the proposal could increase the caseloads of prosecutors because it creates a new remedy. OPS assumes the increase should be less than \$100,000. However, passage of numerous bills creating new crimes could have a greater fiscal impact on the prosecutors.

**Oversight** assumes assume the OPS could absorb the cost of the proposed legislation within existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**FISCAL IMPACT - Small Business**

The proposal could have a fiscal impact on small businesses found guilty of price gouging during a state of emergency.

**DESCRIPTION**

The proposed legislation would create a price gouging law. During a declared state of emergency, a person would commit price gouging if he or she advertises or charges an excessive

DESCRIPTION (continued)

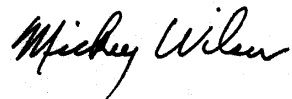
price for necessities. A person suspected of price gouging would have an affirmative defense if he or she can provide written documentation that the price of the necessity was increased due to an increase in the cost to obtain the necessity and the price increase was beyond the person's control.

A person engaging in price gouging would be liable for three times the amount unfairly received in each transaction.

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 Attorney General  
Office of State Courts Administrator  
Office of Prosecution Services



Mickey Wilson, CPA  
Acting Director

January 8, 2002