

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4015-03  
Bill No.: SB 1099  
Subject: Tourism; Consumer Protection.  
Type: Original  
Date: February 13, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$12,500)	(\$15,375)	(\$15,759)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$12,500)</b>	<b>(\$15,375)</b>	<b>(\$15,759)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
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>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Attorney General (AGO)** state they will require ½ FTE paralegal (at \$22,500) and associated equipment and expense to maintain and file evidence of bonding and collections of claims on bonds filed by travel related service companies. The AGO estimates costs for this partial FTE at roughly \$15,000 per year.

Officials from the **Office of the Secretary of State (SOS)** states this bill pertains to pre-arranged travel-related and tourist-related services and time share licenses. The Department of Economic Development and the Attorney General's office may promulgate rules to implement this legislation. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Economic Development and the Attorney General's office could require as many as 22 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register in the Code because cost statements, fiscal notes and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Economic Development - Division of Tourism** assumes this proposal would not fiscally impact their agency.

Oversight assumes this proposal would not fiscally impact the **Department of Economic Development - Division of Professional Registration**.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE</b>			
<u>Costs - Attorney General's Office</u>			
Personal Service (½ FTE)	(\$9,375)	(\$11,531)	(\$11,820)
Fringe Benefits	(\$3,125)	(\$3,843)	(\$3,939)
Expense and Equipment	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - Attorney General's Office</u>	<u>(\$12,500)</u>	<u>(\$15,375)</u>	<u>(\$15,759)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(\$12,500)</u></b>	<b><u>(\$15,375)</u></b>	<b><u>(\$15,759)</u></b>

<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

This proposal would force small businesses that sell prearranged travel-related or tourist-related services to have a bond with corporate surety from a company authorized to transact business in this state or a letter of credit from a bank insured by the FDIC in the amount of \$50,000, to be renewed annually. This proposal would also allow purchasers of travel-related or tourist-related services to rescind the purchase within fifteen business days.

DESCRIPTION

This proposal requires any business engaged in selling prearranged travel-related or tourist-related services to file a bond or letter of credit with the Attorney General.

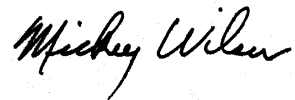
This proposal allows a purchaser of prearranged travel-related or tourist-related services to rescind such purchase within fifteen business days of the purchase, except when the merchandise or services are provided within the rescission period. The refund must be returned within fourteen days. This right of rescission cannot be waived.

DESCRIPTION (continued)

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 Secretary of State  
Office of the Attorney General  
Department of Economic Development



Mickey Wilson, CPA  
Acting Director  
February 13, 2002