

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0749-01  
Bill No.: HB 523  
Subject: Consumer Protection; Business and Commerce  
Type: Original  
Date: January 24, 2019

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Bill Summary: This proposal modifies provisions relating to the no-call list.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Merchandising Practices Revolving	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Attorney General's Office (AGO)** and **Office of State Courts Administrator** both assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** inquired the AGO regarding the number of cases resolved over the last 5 years and how much was collected in judgements. The money received for the judgements goes to the Merchandising Practices Revolving Fund (0631). The following is their response:

Fiscal Year	# of cases resolved	Judgements in those cases	# of cases with collections	Collections
2014	17	\$758,000	12	\$225,500
2015	5	\$739,000	3	\$593,416
2016	6	\$30,500	3	\$10,500
2017	11	\$526,433	4	\$275,433
2018	1	\$500,133	0	\$0

Source: Office of the Attorney General

The AGO notes there are several default judgments that have never been collected on and also judgments where the amount imposed was suspended (while complying with an injunction).

**Oversight** assumes the proposal could increase the size of the judgements and the amount of civil penalties collected by the AGO; however, Oversight does not have information to estimate the fiscal impact. Therefore, Oversight will reflect a potential additional income to the Merchandising Practices Revolving Fund of \$0 to Unknown.

**Oversight** assumes the provision requiring the AGO to give \$100 of the final judgement to the citizen who reported the violation would not result in a material cost to the state and has not reflected it in the fiscal note, but could possibly increase the number of reported violations.

**Oversight** notes that the Office of State Courts Administrator has 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.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>MERCHANDISING PRACTICES REVOLVING FUND</b>			
<u>Income</u> - AGO - increased civil penalties for violations (and repeat violations) of the state's no-call list (§407.1107)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
<b>ESTIMATED NET EFFECT TO THE MERCHANDISING PRACTICES REVOLVING FUND</b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<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

The bill changes the penalty provisions for knowingly violating the law relating to the no-call list. The bill creates a \$2,500 to \$5,000 civil penalty for the first violation, a \$5,000 to \$10,000 penalty upon a finding of a second violation, and a \$7,500 to \$15,000 penalty upon a finding of a third violation. However, the bill specifies that there shall be a limit to the total amount of civil penalties a defendant has to pay for violations that occurred within a one month period. The bill also states that whenever the Attorney General is successful in any proceeding it initiates against a violator of the no-call list law, the court may also award restitution of up to \$100 per person for individuals who reported the violations.

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

Attorney General's Office  
Office of State Courts Administrator

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yle Rieman  
Director  
January 24, 2019

Ross Strobe  
Assistant Director  
January 24, 2019