

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1919-01
Bill No.: HB 831
Subject: State Attorney General; Business and Commerce; Consumer Protection
Type: Original
Date: April 19, 2011

Bill Summary: This proposal creates a do-not-mail list for consumers who do not wish to receive solicitations from direct mail marketers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$130,519)	(\$139,028)	(\$140,714)
Total Estimated Net Effect on General Revenue Fund	(\$130,519)	(\$139,028)	(\$140,714)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2	2	2

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Attorney General (AGO)** state to handle implementation of new registration and database, they would need one additional Assistant Attorney General I and one additional paralegal. If substantial litigation results, AGO may request additional future appropriation. The AGO assumes a total cost of roughly \$140,000 per year to the General Revenue Fund to implement this proposal.

Officials from the **Office of the State Courts Administrator** assume the proposal would not fiscally impact the courts.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

The proposal states this program will become effective on July 1, 2012. However, the AGO shall establish and provide for the operation of a database who object to receiving direct mail marketing no later than July 1, 2012. Also, by January 1, 2012, the AGO shall promulgate rules and regulations regarding the implementation of the program. **Oversight** assumes the AGO will require the additional FTE, as requested, before July 1, 2012.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Costs - AGO</u>			
Personal Service (2 FTE)	(\$64,583)	(\$78,275)	(\$79,058)
Fringe Benefits	(\$33,803)	(\$40,969)	(\$41,379)
Expense and Equipment	<u>(\$32,133)</u>	<u>(\$19,784)</u>	<u>(\$20,277)</u>
<u>Total Costs</u>	<u>(\$130,519)</u>	<u>(\$139,028)</u>	<u>(\$140,714)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$130,519)</u>	<u>(\$139,028)</u>	<u>(\$140,714)</u>
Estimated Net FTE Change for General Revenue	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses who utilize direct mail marketing could be impacted by this proposal.

FISCAL DESCRIPTION

This bill establishes the Do-Not-Offer Statewide Registry Act which requires by January 1, 2012, the Attorney General to create rules and regulations governing the establishment of a do-not-offer statewide registry database and to have the database in operation by July 1, 2012. The database is to compile a list of addresses, post office boxes, or other locations of mail delivery of Missouri residents, 70 years of age or older, who object to receiving direct mail marketing. Information on the list cannot be considered a public record as it relates to the Open Meetings and Records Law, commonly known as the Sunshine Law. The Attorney General is encouraged to quarterly check the listing of Missouri citizens who are on the national no-direct mail marketing list and add

FISCAL DESCRIPTION (continued)

those names to the state database. The Attorney General may utilize moneys appropriated from the Merchandising Practices Revolving Fund to establish and operate the database.

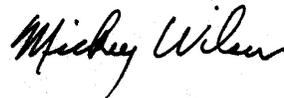
The Attorney General is authorized to seek an injunction and a civil penalty of up to \$5,000 for each knowing violation and additional relief in any court of competent jurisdiction. Any person who has received more than one direct mail marketing solicitation within any one-year period may bring an action to enjoin the violation, seek damages, or both. No action or proceeding may be brought more than two years after the person bringing the action knew or should have known of the alleged violation or more than two years after the state's termination of any proceeding or action arising out of the same violation, whichever is later.

The provisions regarding the Do-Not-Offer Statewide Registry Act become effective July 1, 2012

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 Attorney General
Office of the Secretary of State
Office of the State Courts Administrator



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Director
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