

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2864-02
BILL NO.: HB 1172
SUBJECT: Consumer Protection; Telecommunications
TYPE: Original
DATE: January 7, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	less than (\$100,000)	less than (\$100,000)	less than (\$100,000)
Total Estimated Net Effect on <u>All</u> State Funds	less than (\$100,000)	less than (\$100,000)	less than (\$100,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Attorney General (AGO)** assume any additional costs generated as a result of the proposal could be absorbed with existing resources.

Officials from the **Office of State Public Defender (SPD)** assume that existing staff could provide representation for those 5-10 cases arising where indigent persons were charged with illegal telemarketing. However, passage of more than one similar bill would require the SPD to request increased appropriations to cover the cumulative cost of representing the indigent accused in the additional cases.

Officials from the **Department of Economic Development-Public Service Commission (PSC)**, **Department of Economic Development-Office of Public Counsel (OPC)** and the **Office of State Courts Administrator (CTS)** assume the proposed legislation would have either no or minimal fiscal impact on their agencies.

Officials from the **Department of Economic Development-Division of Credit Unions (DCU)**, **Office of Prosecution Services (OPS)** and the **Department of Corrections (DOC)** did not respond to our fiscal note request.

However, in a similar previous proposal, the **DCU** stated there would be no fiscal impact. Also, in a similar previous proposal, officials from the **Office of Prosecution Services (OPS)** assumed the proposed legislation would have no fiscal impact on their agency, but could have minimal fiscal impact on locals. **Oversight** assumes that existing resources could be used to absorb any additional costs resulting from this proposal and therefore, has not included any associated impact in the fiscal impact specifications below.

The Department of Corrections has not responded to Oversight's request for fiscal information nor have they provided a ten-year prison impact statement as required by Section 217.022 RSMo. However, Oversight assumes this proposal would have minimal impact on the prison or probation populations. The exact cost cannot be determined, but is expected to be less than \$100,000 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
General Revenue Fund	less than	less than	less than
Department of Corrections	(\$100,000)	(\$100,000)	(\$100,000)

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	0	0	0

FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact on certain small businesses, since it could decrease the amount of sales by telemarketers and could also result in increased recordkeeping.

DESCRIPTION

The proposed legislation would establish guidelines for telemarketers. It would require telemarketers to provide certain information promptly to the consumer receiving the telephone call; it would prohibit certain practices, such as requesting a fee in advance to remove derogatory information from or improve a person's credit history or credit record; it would prohibit abusive telemarketing acts, such as calling persons who have previously indicated they do not wish to receive telemarketing calls from that seller; and it would provide a range of appropriate time, from 8:00 a.m to 9:00 p.m., to place telemarketing calls to a person's residence. This proposal would require retention of certain records by sellers and telemarketers for a period of twenty-four months. This proposal would have penalty provisions. The proposal would declare noncompliance with this act as a class D felony.

This proposal would exempt institutions and companies under the direction and supervision of the Director of the Division of Credit Unions from the provisions in Chapter 407.020, RSMo.

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

This proposal would not affect Total State Revenues.

L.R. NO. 2864-02
BILL NO. HB 1172
PAGE 4 OF 4
January 7, 2000

SOURCES OF INFORMATION

Office of the Attorney General
Office of State Public Defender
Department of Economic Development-Public Service Commission
Department of Economic Development-Office of Public Counsel
Office of State Courts Administrator

NOT RESPONDING:

Department of Economic Development-Division of Credit Unions
Office of Prosecution Services
Department of Corrections



Jeanne Jarrett, CPA
Director
January 7, 2000