

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1298-03
Bill No.: HCS for HB 511
Subject: Business and Commerce; Consumer Protection; Telecommunications
Type: Original
Date: April 26, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** assume this proposal would have no impact on the courts.

Officials from the **Office of the Attorney General (AGO)** assume the proposed legislation would not increase the duties of the AGO in terms of the creation and maintenance of the No Call Database, it may increase the number of consumer complaints that the AGO may act upon because there will be fewer exempt telemarketers. The AGO assumes fiscal impact of this proposal would be minimal and can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
	<u>\$2,002</u>	<u>\$2,003</u>	<u>\$2,004</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003	FY 2004
	<u>\$2,002</u>	<u>\$2,003</u>	<u>\$2,004</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal modifies the definition of the term "telephone solicitation" as it pertains to the telemarketing no-call list and defines the term current business relationship.

In current law, communications made by or on behalf of an entity with whom the residential subscriber has had a business contact within the past 180 days or a current business or personal relationship are not considered telephone solicitations. In the proposal, only communications made by or on behalf of an entity with whom the residential subscriber has a current business or personal relationship are not considered telephone solicitations.

DESCRIPTION (continued)

In current law, the definition of "telephone solicitation" excludes communications made by or on behalf of entities regulated by federal agencies so long as: (1) the entity is licensed or certificated to sell the merchandise being offered; and (2) the entity is required by law or rule to maintain a no-call list. The proposal eliminates this exclusion.

Current law also excludes communication made by a bona fide member of an entity that is exempt pursuant to Chapter 501(c)(3) of the United States Internal Revenue Code, while engaged in fund-raising to support the charitable purpose for which the entity was established. The proposal eliminates the provision that the communication be made by a bona fide member of the entity.

The proposal also eliminates exclusions for communications by a natural person responding to a referral or working from his or her primary residence; or by a person licensed by the state in a trade, occupation, or profession who is trying to make an appointment relating to that licensed activity.

The proposal has an emergency clause, and shall be in full force and effect upon its passage and approval.

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 State Courts Administrator



Jeanne Jarrett, CPA
Director

April 26, 2001