

## Fiscal Estimate - 2009 Session

- Original
  Updated
  Corrected
  Supplemental

<b>LRB Number</b> 09-0027/1		<b>Introduction Number</b> AB-0289										
<b>Description</b> Creating separate regulatory requirements for certain future service contracts												
<b>Fiscal Effect</b>												
<b>State:</b>												
<input checked="checked" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <table style="width: 100%; margin-left: 20px;"> <tr> <td><input type="checkbox"/> Increase Existing Appropriations</td> <td><input type="checkbox"/> Increase Existing Revenues</td> <td><input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes      <input type="checkbox"/> No</td> </tr> <tr> <td><input type="checkbox"/> Decrease Existing Appropriations</td> <td><input type="checkbox"/> Decrease Existing Revenues</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Create New Appropriations</td> <td></td> <td><input type="checkbox"/> Decrease Costs</td> </tr> </table>				<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues		<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs
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<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs										
<b>Local:</b>												
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <table style="width: 100%; margin-left: 20px;"> <tr> <td>1. <input type="checkbox"/> Increase Costs</td> <td>3. <input type="checkbox"/> Increase Revenue</td> <td rowspan="4" style="vertical-align: top; padding-left: 20px;">5. Types of Local Government Units Affected  <input type="checkbox"/> Towns      <input type="checkbox"/> Village      <input type="checkbox"/> Cities  <input type="checkbox"/> Counties      <input type="checkbox"/> Others  <input type="checkbox"/> School Districts      <input type="checkbox"/> WTCS Districts                 </td> </tr> <tr> <td>    <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</td> <td>    <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</td> </tr> <tr> <td>2. <input type="checkbox"/> Decrease Costs</td> <td>4. <input type="checkbox"/> Decrease Revenue</td> </tr> <tr> <td>    <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</td> <td>    <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</td> </tr> </table>				1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
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<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>										
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS												
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>									
DATCP/ Michelle Reinen (608) 224-5160		Bill Walker (608) 224-4353	7/20/2009									

## Fiscal Estimate Narratives

DATCP 7/20/2009

LRB Number 09-0027/1	Introduction Number AB-0289	Estimate Type Original
<b>Description</b> Creating separate regulatory requirements for certain future service contracts		

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, DATCP regulates future service contracts, defined as contracts whose primary purpose is to provide a customer with the right to purchase goods or services or to rent video recordings from a contractor.

This bill creates a new category of future service contracts. Under the bill, these contracts may have a term not to exceed three years, must grant the customer rights against a successor to the contractor's interests, must permit the customer to cancel the contract without penalty until midnight on the third day after entering into the contract, must contain a notice of the right to cancel on a separate page, and must permit the customer to cancel an order if the order is not delivered by the date it was promised or to the address where the customer requested delivery. A contractor who enters into such a contract must maintain a \$250,000 bond to cover customer losses.

As DATCP already regulates future service contracts, part of which is to review contracts for compliance, the department does not anticipate an increase in workload to review a contract for compliance under either the "old category" or a new category.

### Long-Range Fiscal Implications