

Fiscal Estimate Narratives

DA 2/27/2012

LRB Number	11-2924/1	Introduction Number	AB-0582	Estimate Type	Original
Description Regulation of rental-purchase agreements and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates requirements that pertain to rental-purchase agreements, and imposes requirements on rental-purchase companies. The bill specifies a maximum cash price of rental property, and limits the maximum amount that a lessee must pay to acquire ownership of the property under certain circumstances. In accordance with the bill, the Department of Financial Institutions (DFI) may promulgate rules relating to rental-purchase company disclosure requirements and records maintenance; and, requires DFI to administer and enforce provisions of the bill.

Should this bill be enacted, prosecutors are uncertain if there will be a fiscal impact on their offices. DFI, under the rule-making authority granted to it, may determine forfeiture and criminal actions to be filed against a violator, but until the forfeitures and criminal actions have been determined, it is difficult to estimate a potential fiscal impact on the District Attorney program.

Long-Range Fiscal Implications

Prosecutors are not certain if there will be a long-term fiscal impact should this bill be enacted.