

FISCAL ESTIMATE  
DOA-2048 N(R10/94)

ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

LRB or Bill No/Adm. Rule No. (99-2362/3)  
**SB 169**

Amendment No. If Applicable

Subject **Deceptive preapproval of open-ended credit plans**

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum certain appropriation

- Increase Existing Appropriation       Increase Existing Revenues
- Decrease Existing Appropriation       Decrease Existing Revenues
- Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget     Yes     No

Decrease Costs

Local:  No local government costs

- 1.  Increase Costs       Permissive       Mandatory
- 2.  Decrease Costs       Permissive       Mandatory
- 3.  Increase Revenues       Permissive       Mandatory
- 4.  Decrease Revenues       Permissive       Mandatory

5. Types of Local Governmental Units Affected:  
 Towns     Village     Cities  
 Counties     Others \_\_\_\_\_  
 School Districts     WTCS Districts

Fund Sources Affected

GPR     FED     PRO     PRS     SEG     SEG-S

Affected Ch. 20 Appropriations

20.115(1)(a)

Assumptions Used in Arriving at Fiscal Estimate

This bill prohibits certain representations regarding open-ended credit plans.

Currently, the department receives approximately 600 consumer complaints annually regarding credit and finance services many of which are referred to the Department of Financial Institutions. The department has not categorized these complaints to the level of detail needed to determine how many complaints concern the specific issue addressed by this bill. The department also addresses credit complaints through mediation and education, but would now have specific statutory authority to investigate and seek prosecution of businesses engaged in fraudulent practices.

Based on experience, the Department projects that complaints specifically regarding the open-ended credit advertising representations practices prohibited under the bill will be approximately 200 per year. The Department estimates 20 complaints per year will require assignment to investigative staff for detailed investigation. Typically, these investigations will involve multiple victims and multiple jurisdictions. The Department estimates an additional workload of 2,000 hours to administer and enforce the law.

Based on these assumptions the Department estimates 1.0 FTE Regulation Compliance Investigator will be necessary for enforcement of this law.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

DATCP  
Jim Rabbitt 224-4965

Authorized Signature/Telephone No.

*Barbara Knapp*

Date

5/26/99

**FISCAL ESTIMATE WORKSHEET**

**1999 Session**

Detailed Estimate of Annual Fiscal Effect

ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.

Amendment No.

DOA-2047 (R10/94)

**SB 169**

**Subject** Deceptive preapproval of open-ended credit plans

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

\$7,675 (Computer, Workstation)

**II. Annualized Costs:**

Annualized Fiscal Impact on State Funds from:

| A. State Costs by Category            | Increased Costs                         | Decreased Costs |
|---------------------------------------|---|-----------------|
|                                       | State Operations - Salaries and Fringes | \$29,217.50     |
| (FTE Position Changes)                | ( 1.0 FTE)                              | (- FTE)         |
| State Operations - Other Costs        | \$7,210                                 |                 |
| Local Assistance                      |   |                 |
| Aids to Individuals and Organizations |   |                 |
| <b>TOTAL State Costs by Category</b>  | <b>\$36,428.00</b>                      |                 |

**B. State Costs by Source of Funds**

|           | Increased Costs | Decreased Costs |
|-----------|-----------------|-----------------|
| GPR       | \$36,428        |                 |
| FED       |                 |                 |
| PRO/PRS   |                 |                 |
| SEG/SEG-S |                 |                 |

**III. State Revenues**

Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)

|                             | Increased Rev. | Decreased Rev. |
|-----------------------------|----------------|----------------|
| GPR Taxes                   |                |                |
| GPR Earned                  |                |                |
| FED                         |                |                |
| PRO/PRS                     |                |                |
| SEG/SEG-S                   |                |                |
| <b>TOTAL State Revenues</b> |                |                |

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS

\$36,428

NET CHANGE IN REVENUES

Agency/Prepared by: (Name & Phone No.)

DATCP Jim Rabbitt 224-4965

Authorized Signature/Telephone No.

*Barbara Knapp*

Date

5/26/99