

FISCAL ESTIMATE  
DOA-2048 N(R10/94)

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

LRB or Bill No/Adm. Rule No.  
**AB 306 (99-0711/1)**

Amendment No. If Applicable

Subject  
**Billing Practices for Consumer Goods or Services**

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

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

Local:  No local government costs

- |  |   |   |
|--|---|---|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:<br><input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others _____<br><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| 2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |   |

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 negative option billing practices. This bill requires billing practices for goods and services to conform to Federal Trade Commission regulations under CFR Part 425.

Currently, the Department receives approximately 100 consumer complaints annually regarding negative option billing practices. The Department addresses these complaints mostly through mediation and education, but would now have specific statutory authority to investigate and seek prosecution of businesses engaged in fraudulent billing practices.

Based on experience, the Department projects that complaints regarding billing practices prohibited under the bill will double to 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 1,800 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* 224-4746

Date

4/28/99

**FISCAL ESTIMATE WORKSHEET**

**1999 Session**

Detailed Estimate of Annual Fiscal Effect

ORIGINAL

UPDATED

LRB or Bill No/Adm. Rule No.

Amendment No.

DOA-2047 (R10/94)

CORRECTED

SUPPLEMENTAL

**AB 306**

**Subject Billing Practices for Consumer Goods or Services**

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

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*Barbara Knapp* 224-4746

Date

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