

Fiscal Estimate Narratives

DATCP 6/29/2007

LRB Number 07-1136/3	Introduction Number AB-0416	Estimate Type Original
Description Soliciting purchases of goods or services using unsolicited checks or money orders and providing a penalty		

Assumptions Used in Arriving at Fiscal Estimate

This bill would prohibit soliciting the purchase of goods or services by the delivery to a recipient in this state of a document that is or appears to be a check or money order payable to the recipient, if the endorsement of the document purports to bind the recipient to purchasing goods or services and the recipient did not request the delivery of the document.

Currently the department does not specifically track this business practice, however we are aware that the practice does exist and we have received consumer calls and consumer complaints on this issue. In addition the department has conducted investigations into consumer complaints about unfair billing practices only to discover that the transaction was initiated by a "cash-the-check" scheme. In one of those cases the department received over 50 written complaints from consumers against the business. Therefore, it is assumed, like with any new area of law, written consumer complaints would increase to at least 500 written complaints a year.

This bill would now authorize the department to take specific enforcement action on the complaints received against this business practice. As each complaint takes approximately 1 hour to mediate and every 50 to 100 complaints typically results in an investigation, it is assumed the department would need 0.5 FTE to handle the increase in workload and enforcement responsibilities.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Soliciting purchases of goods or services using unsolicited checks or money orders and providing a penalty			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Office setup, desks, telephones, computers and supplies \$10,000			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$26,900	\$
	(FTE Position Changes)	(0.5 FTE)	
	State Operations - Other Costs	6,300	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$33,200	\$
B. State Costs by Source of Funds			
	GPR	33,200	
	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		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
	NET CHANGE IN COSTS	\$33,200	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By Authorized Signature Date			
DATCP/ Michelle Reinen (608) 224-5160		Barb Knapp (608) 224-4746	6/27/2007