

Fiscal Estimate Narratives

DATCP 4/22/2005

LRB Number 05-2225/1	Introduction Number AB-332	Estimate Type Original
Subject Credit card advertising, rates, and disclosures		

Assumptions Used in Arriving at Fiscal Estimate

Currently, credit cards rank 14th on DATCP's list of consumer complaint categories with 378 filed in 2004. It is assumed that once the practice of "preapproved credit" advertising is regulated by this bill, complaints that are now mediated will become part of enforcement activities. It is also assumed that the department will receive additional consumer complaints once consumers recognise that the practice is regulated.

The department anticipates the additional complaints and enforcement will consume 1,000 hours annually. Therefore, an additional 0.5 FTE will be needed. One time costs of \$10,000 for office, computer and necessary equipment and annual costs of \$30,200 will be needed to enforce this proposed law.

Long-Range Fiscal Implications

The department anticipates an additional 0.5 FTE will be necessary to investigate and enforce the requirements of this bill at an annual cost of \$30,200.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Credit card advertising, rates, and disclosures			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
Office setup, computer, network access, equipment, \$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		\$23,900	
(FTE Position Changes)		(0.5 FTE)	
State Operations - Other Costs		6,300	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$30,200	\$
B. State Costs by Source of Funds			
GPR		30,200	
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			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$30,200	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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