

Fiscal Estimate Narratives

DATCP 1/29/2018

LRB Number	17-4700/1	Introduction Number	AB-0773	Estimate Type	Original
Description discovery of information in court proceedings; procedural requirements relating to class actions; consumer lawsuit lending; the statute of limitations for certain civil actions; agreements by the secretary of revenue to allow third-party audits related to unclaimed property; interest rates for overdue insurance claims; and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates provisions governing consumer lawsuit lending, establishes a civil forfeiture for violations of requirements or restrictions, and grants the Department enforcement authority over those violations.

Since this type of lending transaction, typically enforced by the Department of Financial Institutions under their lending regulations, does not fit within the normal range of work conducted by the Bureau of Consumer Protection, additional training would be required for staff to enforce Consumer Approval Transactions.

The Department would enforce the new regulations based on any consumer complaints received. Prior experience implementing new laws has shown that the Department will need to use various degrees of enforcement action to bring some lenders into compliance. As there is no provision in the bill granting the Department of Justice authority to enforce this subsection, on our behalf or at our request, requests for enforcement action would be referred to District Attorneys.

As with any new consumer protection law, the Department assumes there will be an increase in consumer contacts. After the bill is enacted, the Department would also need to update its printed materials and conduct additional outreach to educate the public, both consumers and lenders, about the changes.

The Department does not anticipate having to change or create any administrative rules to enforce this bill.

At this time, the Department anticipates that the activities and workload described above would be absorbed by existing staff. However, depending on the expertise needed to enforce this bill, additional staff with specific knowledge and skill related to financial and lending transactions may also be needed.

Long-Range Fiscal Implications

Indeterminate. As mentioned above, the Department does not have experience with consumer lending transactions; and therefore, it cannot accurately predict how many complaints it will receive from consumers who participate in consumer lawsuit lending transactions, the number of investigations it will need to initiate based on those complaints, or the number of resulting enforcement actions required.