

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 304** SLS 18RS 602

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 26, 2018 10:40 AM	Author: WALSWORTH
Dept./Agy.: Attorney General	Analyst: Willis Brewer
Subject: Retaining certain deposits in Consumer Protection Fund	

Attorney General OR INCREASE SG EX See Note Page 1 of 1
 Authorizes the Department of Justice to retain certain "going-out-of-business sale" deposits in the Consumer Protection Fund. (7/1/18)

Present law defines "going-out-of-business sale" as any sale advertised, represented, or held forth as a sale to dispose of all goods as a means of ceasing to do business or changing business location. Such term includes a sale held under the designation of "going-out-of-business", "selling out", "liquidation", "lost our lease", "forced to vacate", "moving to a new location", or any other designation of like meaning. However, such term does not include an end-of-the-season sale or a going-out-of-business sale limited to sale of a particular brand or line of goods. Proposed law retains present law and adds sales held under the designations "closing out sale" and "store closing sale". Present law requires a deposit for each application for a "going-out-of-business sale" license of either \$500 or a dollar amount equal to one percent of the wholesale cost of the inventory, whichever amount is greater. Proposed law retains present law. Proposed law provides that upon the failure of the licensee to return the "going-out-of-business sale" license or an affidavit in lieu of such return, the deposit reverts back to the Dept. of Justice after 365 calendar days from the expiration of the license. Proposed law further requires all deposits to be used as self-generated revenue and be retained by the Dept. of Justice in the Consumer Protection Fund, and no part thereof shall revert to the state general fund at the end of any fiscal year.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed legislation will not increase Attorney General (AG) expenditures, but will provide additional self-generated revenues that can be retained across fiscal years in the Consumer Protection Fund to be used by the Consumer Enforcement unit.

REVENUE EXPLANATION

Proposed legislation will provide a nominal increase to the Attorney General (AG) revenues from the retention of "going-out-of-business" deposits after 365 calendar days. Over the last five years, there have been 45 applicants and approximately \$152,000 in "going-out-of-business" application deposits. These deposits are retained in the AG's escrow account and the majority of the deposits are typically reverted to the applicant. Over the last five years (FY 12 - FY 17), there has been an average of \$20,500 remaining in this escrow account. The AG anticipates an annual amount of \$5,000 will be eligible to be transferred from the escrow account to the Consumer Protection Fund.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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