

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 17, 2018	1:56 PM	Author: WALSWORTH
Dept./Agy.: Attorney General		Analyst: Willis Brewer
Subject: Retaining certain deposits in Consumer Protection Fund		

Attorney General EN INCREASE GF RV 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 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 to the Unclaimed Property Division of Dept. of the Treasury.

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.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
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

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Proposed legislation will provide a nominal increase in revenues from the transfer of "going-out-of-business" deposits. These deposits will be transferred to the Department of Treasury's Unclaimed Property Division and deposited in the Unclaimed Property escrow fund where they will remain until the end of the fiscal year and then are transferred to the state general fund. However, the right to claim these funds by the owner will remain in perpetuity.

These deposits are currently retained in the Attorney General's (AG) escrow account and the majority of the deposits are typically reverted to the applicant. Over the last five years (FY 12 - FY 17), there have been 45 applicants and approximately \$152,000 in "going-out-of-business" application deposits. Over this same time frame, there has been an average of \$20,500 remaining in this escrow account.

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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