

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 417** HLS 14RS 1069
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
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| Date: April 7, 2014 4:38 PM | Author: LOPINTO |
| Dept./Agy.: Corrections | Analyst: Stephanie C. Blanchard |
| Subject: Residential contractor fraud | |

CRIME OR INCREASE GF EX See Note Page 1 of 1
 Creates the crime of residential contractor fraud

Proposed law creates the crime of residential contractor fraud and deletes provisions of law relating to home improvement fraud. Defines residential contractor fraud as the misappropriation or intentional taking of anything of value which belongs to another either without the consent of the other person who has been contracted or subcontracted to perform any home improvement or residential construction. Requires the payment of restitution and provides for the following penalties: (1) A fine of not more than \$1,000, imprisonment for not more than six months, or both when the misappropriation or taking amounts to a value of less than \$500. (2) A fine of not more than \$2,000, imprisonment with or without hard labor for not more than five years, or both when the misappropriation or taking amounts to a value of \$500 or more, but less than \$1,500. (3) A fine of not more than \$3,000, imprisonment with or without hard labor for not more than 10 years, or both when the misappropriation or taking amounts to a value of \$1,500 or more.

| EXPENDITURES | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 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 | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Annual Total | | | | | | |

| REVENUES | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 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 | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

The proposed legislation may result in an indeterminable increase in state general fund expenditures if a defendant is convicted of residential contractor fraud. The exact fiscal impact of the passage of this legislation is indeterminable, since the legislation creates a new crime and it is not known how many people will be convicted of this crime. However, any offender sentenced to the custody of the Department of Public Safety and Corrections increases expenditures by \$24.39 per day per offender in local facilities.

To the extent a defendant is convicted of this crime and assuming these offenders would be housed at the local level, it would cost the state \$8,902 (1 offender x \$24.39 per day x 365 days).

To the extent that offenders are housed in state facilities, the cost per day, per offender is \$52.51.

Some provisions of the proposed legislation are a misdemeanor; therefore, these offenders are not sentenced to the Department of Public Safety and Corrections. Local law enforcement agencies may realize an indeterminable increase in expenditures associated with prison costs. The cost increase will depend on the number of persons convicted, the minimum sentence an offender serves, and the cost per day for a local law enforcement agency to incarcerate an offender.

In addition, if restitution is required and Probation and Parole agents are required to collect it, there may be a possible increase in workload.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Any revenue generated through the imposition of fines created by this legislation would accrue to local government entities.

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| Senate | <u>Dual Referral Rules</u> | House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | <i>Evan Brasseaux</i> Evan Brasseaux Staff Director |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} | | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | | |