



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

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|---------------|--------|
| Bill # | SB0020 |
|---------------|--------|

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|---------------|--|
| Title: | Revise security laws related to muliti-level marketers |
|---------------|--|

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|-------------------------|-------------|
| Primary Sponsor: | Jent, Larry |
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| | |
|----------------|--------------------------------|
| Status: | As Amended in Senate Committee |
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- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

| | <u>FY 2013</u> <u>Difference</u> | <u>FY 2014</u> <u>Difference</u> | <u>FY 2015</u> <u>Difference</u> | <u>FY 2016</u> <u>Difference</u> | <u>FY 2017</u> <u>Difference</u> |
|---------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Expenditures: | | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | \$0 | \$500 | \$500 | \$508 | \$515 |
| Revenue: | | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Impact-General Fund Balanc | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

Description of fiscal impact: SB 20, as amended, will require multi-level distribution companies that are not a member of the Direct Sellers Association (DSA) to register with the with the State Auditor's Office (SAO).

FISCAL ANALYSIS

Assumptions:

1. There are approximately 250 multi-level distribution companies currently notice filed with the agency.
2. Approximately 75 of these 250 companies are DSA members.
3. The State Auditor's Office (SAO) estimates that approximately half of the non-DSA member companies will choose to register and that the remainder of them are now either defunct or no longer have a participant in this state.
4. There would be no fee for registering.
5. Administration costs are estimated to be \$500 per fiscal year and are inflated by 1.5% per year in the 2017 biennium. The SAO could absorb the administration costs.

Fiscal Note Request – As Amended in Senate Committee

(continued)

Expenditures:

| | | | | | |
|---------------------------|------------|--------------|--------------|--------------|--------------|
| Personal Services | \$0 | \$0 | \$0 | \$0 | \$0 |
| Operating Expenses | \$0 | \$500 | \$500 | \$508 | \$515 |
| TOTAL Expenditures | \$0 | \$500 | \$500 | \$508 | \$515 |

Funding of Expenditures:

| | | | | | |
|------------------------------|------------|--------------|--------------|--------------|--------------|
| General Fund (01) | \$0 | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$0 | \$500 | \$500 | \$508 | \$515 |
| TOTAL Funding of Exp. | \$0 | \$500 | \$500 | \$508 | \$515 |

Revenues:

| | | | | | |
|----------------------------|------------|------------|------------|------------|------------|
| General Fund (01) | \$0 | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

| | | | | | |
|----------------------------|-----|---------|---------|---------|---------|
| General Fund (01) | \$0 | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$0 | (\$500) | (\$500) | (\$508) | (\$515) |

Sponsor's Initials

Date

Budget Director's Initials

Date