

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0372-01
Bill No.: HB 144
Subject: Boats and Watercraft; Consumer Protection
Type: Original
Date: January 12, 2007

Bill Summary: This proposal specifies that any new vessel, including boats and watercraft, sold after January 1, 2008 will be treated the same as a new motor vehicle under the provisions of the Lemon Law.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety, Office of the State Courts Administrator** and the **Department of Transportation** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of the Attorney General (AGO)** state this proposal would protect consumers who purchase new vessels after January 1, 2008, under the Lemon Law. This new protection would likely generate additional phone calls into the AGO's Consumer Complaint Division if a dealer did not provide repairs as required under this proposal. While the number of new complaints that the Consumer Division would handle is unknown, the AGO assumes that the total number would be less than 50 per year and that costs can be absorbed with existing resources.

Officials from the **Department of Revenue** assume the proposal would have minimal impact on their agency. There will be a revenue decrease due to the amount of refunds issued on vessels that are subject to the lemon law. However, this amount is unknown, but expected to be minimal.

Oversight will assume the minimal loss of revenue from the issuance of refunds may be offset by the purchase of a different vessel in that same year. For example, a consumer may take a potential refund issued by a boat manufacturer and purchase a different boat within the same year. Also, the sense of security from the passage of the boat/watercraft lemon law may encourage undecided consumers to make the purchase of a new vessel. Therefore, Oversight will not reflect the minimal loss to the Department of Revenue in the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2008
(10 Mo.)

FY 2009

FY 2010

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

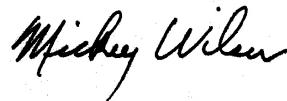
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Office of the State Courts Administrator
Office of the Attorney General
Department of Public Safety



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Director
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