

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1120-02
Bill No.: HB 593
Subject: Telecommunications; Merchandising Practices
Type: Original
Date: February 23, 2015

Bill Summary: This proposal establishes the Mobile Wallet Act of 2015.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Conservation Commission Fund	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Revenue - Division of Taxation**, the **Office of Administration - Information Technology Services Division**, and the **Department of Economic Development** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Missouri Department of Conservation** estimate the proposed legislation would have a negative fiscal impact on their department funds of more than \$100,000 annually due to costs required to revise the existing systems.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
CONSERVATION COMMISSION FUND			
<u>Costs</u> - Revision of existing systems to comply with legislation	(Greater than <u>\$100,000</u>)	(Greater than <u>\$100,000</u>)	(Greater than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND	<u>(Greater than \$100,000)</u>	<u>(Greater than \$100,000)</u>	<u>(Greater than \$100,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

All small businesses accepting mobile payments will be required to document identification used for accepting mobile payment. If the merchant does not have proof of documentation for an unauthorized payment, the merchant will be responsible for reimbursing the financial institution.

FISCAL DESCRIPTION

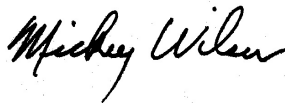
This bill establishes the Mobile Wallet Act of 2015 regarding mobile payments. A "mobile payment" is defined as a point-of-sale payment made through a mobile device. For any mobile payment transaction in this state, the merchant must require the consumer to provide a valid state-issued driver's license or a nondriver identification card that matches the financial account holder at the time of the transaction. A merchant must also record the identification card number.

If there is an unauthorized payment using the mobile payment method and if it is shown that the merchant failed to check and record the required information, the merchant must reimburse the financial institution that covered any charges for the unauthorized use of the consumer's financial account.

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 Insurance, Financial Institutions and Professional Registration
Department of Economic Development
Office of Administration
Missouri Department of Conservation
Department of Revenue



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February 23, 2015

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February 23, 2015