

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5548H.01I
Bill No.: HB 2800
Subject: Business and Commerce
Type: Original
Date: March 21, 2024

Bill Summary: This proposal establishes a right to repair for certain products.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Merchandising Practices Revolving Fund (0631)*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

*Oversight assumes the amount collected into the Merchandising Practices Revolving Fund would not reach the \$250,000 threshold.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** assume the proposal will have no fiscal impact on the judiciary.

Officials from the **Attorney General’s Office (AGO)** did not respond to our request for fiscal impact. However, in response to a similar proposal (SB 554 - 2023), officials from the AGO assumed any potential litigation costs arising from this proposal may be absorbed with existing resources. Because the volume of the litigation is unknown, the cost is also unknown. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation.

Oversight assumes the proposal would not have a material fiscal impact on the Office of the State Courts Administrator or the Attorney General’s Office.

Oversight notes subsection 407.645.4 states violations of this section is an unlawful practice under sections 407.010 to 407.130 of the merchandising practices act. Oversight assumes if the AGO collects fines for violations of this new proposal, collections would be deposited into the state’s Merchandising Practices Revolving Fund. Oversight will reflect a \$0 or Unknown amount – but assume the total would not reach the \$250,000 threshold.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
MERCHANDISING PRACTICES REVOLVING (0631)			
<u>AGO</u> – Potential increase in judgement collections for right to repair motorcycles §407.645	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT TO THE MERCHANDISING PRACTICES REVOLVING (0631)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small repair businesses or small businesses that need repair work completed could be impacted by this proposal.

FISCAL DESCRIPTION

This bill requires that an original equipment manufacturer of motorcycles and parts for motorcycles make available, on fair and reasonable terms, to any independent repair provider or owner of a motorcycle any documentation, parts, and tools required to diagnose, maintain, or repair the motorcycle.

For equipment that contains a motorcycle security lock or other security-related function, the original equipment manufacturer must make available any special documentation, tools, and parts needed to access and reset the lock or function when disabled. With respect to equipment that contains an electronic security lock or other security-related function, a manufacturer must make available any documentation, parts, embedded software, firmware, or tools, or data needed to reset the lock or function when disabled in the course of providing services.

A violation is considered an unlawful practice under the Merchandising Practices Act.

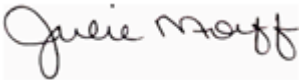
The bill does not require the divulgence of a trade secret or alter the terms of any arrangement between an authorized repair provider and an original equipment manufacturer. The manufacturer is not required to make available special documentation, tools, and parts that would disable or override antitheft security measures set by the owner of the product without the owner's authorization. No original equipment manufacturer or authorized repair provider is liable for any damage or injury caused to any motorcycle by an independent repair provider or owner which occurs during the course of repair, diagnosis, or maintenance.

The provisions of the bill apply to motorcycles sold or in use on or after January 1, 2025.

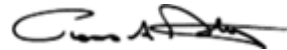
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Attorney General's Office



Julie Morff
Director
March 21, 2024



Ross Strobe
Assistant Director
March 21, 2024