



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0349 - Establish obscenity filter requirements for electronic devices (Sheldon-Galloway, Lola)

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	\$618,952	\$574,796	\$583,418	.\$592,169
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$618,952)</u>	<u>(\$574,796)</u>	<u>(\$583,418)</u>	<u>(\$592,169)</u>

Description of fiscal impact: The enforcement of HB 349 would be the responsibility of the Attorney General - Office of Consumer Protection, through civil actions. The Division of Criminal Investigation (DCI) will require an additional investigator, attorney, and paralegal to accomplish proper investigation and litigation of complaints.

FISCAL ANALYSIS


Assumptions:**Department of Justice**

1. HB 349 allows for a private right of action if the attorney general fails to respond within 45 days or responds within 45 days the complaint lacks merit.
2. The DoJ expects an increase in current investigations of consumer complaints by 15%, or approximately 150 additional investigations per year.
3. DCI assumes the salary and benefits for 1.00 FTE paralegal at \$71,650, 1.00 FTE attorney at \$120,818, and 1.00 FTE investigator at \$90,825 per year.
4. An undercover vehicle will be necessary for travel needs required for investigations as a one-time-only purchase of \$35,000.
5. It is estimated that one case per year would go to litigation with a cell phone manufacturer and need outside counsel/expert witnesses at a cost of \$250,000.

6. It is estimated that that there will be annual operating costs of \$41,503, and a one-time cost of \$9,156 in the first year for set-up of the office for 3.00 new FTE.
7. A 1.5% inflation rate has been applied in the FY 2026 and FY 2027.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	3.00	3.00	3.00	3.00
<u>Expenditures:</u>				
Personal Services	\$283,293	\$283,293	\$287,542	\$291,855
Operating Expenses	\$300,659	\$291,503	\$295,876	\$300,314
Equipment	\$35,000	\$0	\$0	\$0
TOTAL Expenditures	<u><u>\$618,952</u></u>	<u><u>\$574,796</u></u>	<u><u>\$583,418</u></u>	<u><u>\$592,169</u></u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$618,952	\$574,796	\$583,418	\$592,169
TOTAL Funding of Exp.	<u><u>\$618,952</u></u>	<u><u>\$574,796</u></u>	<u><u>\$583,418</u></u>	<u><u>\$592,169</u></u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$618,952)	(\$574,796)	(\$583,418)	(\$592,169)

NOT SIGNED BY SPONSOR

Sponsor's Initials	Date	 Budget Director's Initials	2-6-23 Date
--------------------	------	--	----------------