Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 20   (Delegate Owings) (By Request)

Economic Matters

Commercial Law - Telephone and Mail Solicitation Privacy Act

This bill requires the Consumer Protection Division of the Office of the Attorney General to maintain and publish a mail solicitation privacy list and a telephone solicitation privacy list that includes the names, addresses, and telephone numbers of Maryland residents who have asked to be on a list. The bill prohibits a person from making a mail or telephone solicitation to a residential addressee whose name appears on a list. However, the bill permits a person to make a solicitation if the person is a charitable organization, is responding to a customer's inquiry, or has had previous business dealings with the customer. The bill permits the division to charge a fee to a person that requests a copy of a list to recover the maintenance and publication costs. Violators are subject to a maximum $50 fine for each violation and the division must use the proceeds from these fines to educate Maryland residents about the provisions of this bill and to enforce the bill. The division is also required to adopt enforcement regulations.

Fiscal Summary

State Effect: Indeterminate increase in general fund expenditures to handle the Consumer Protection Division's increased workload. Indeterminate cost recovery by the Attorney General resulting from fines and list fees.

Local Effect: None.

Small Business Effect: Potential meaningful. The bill could have a meaningful effect on small businesses to the extent that they conduct their marketing efforts by telephone or mail.

Fiscal Analysis

State Expenditures: In addition to the increased workload associated with maintaining the

privacy lists, the Consumer Protection Division expects this bill to generate a large number of complaints. As a result, the division advises that it would have to hire 6 new staff positions including an assistant attorney general, a staff attorney, 2 fraud investigators, and 2 legal secretaries. The division also advises that it would need $35,000 in computer hardware and software. General fund expenditures would increase by an estimated $227,800 in fiscal 1999 which accounts for the bill's October 1, 1999 effective date and computer costs. In subsequent years, general fund expenditures would increase approximately $250,000 annually.

The number of new positions required to handle any additional workload depends on the number of new complaints, the number of residents who request to be included on the list, and the number of persons who request a copy of a list. However, the Consumer Protection Division's estimate is not based on any specific projection of the number of complaints the bill could generate or the number of requests that would be made. Moreover, the division would recover some of its costs from revenues collected from the $50 fine imposed on violators and the fee charged to persons that request a copy of a list. It should be noted, however, that the bill does not set up a specific fund into which these additional revenues would be deposited.

In the absence of any information regarding the number of annual violations, the number of persons who would purchase a list, and the amount of the fee that the division would charge, it is difficult to estimate the amount of additional resources required to implement and enforce the provisions of this bill. It is reasonable to assume, however, that additional resources will be required to handle the increased workload, although perhaps not at the level suggested by the Division of Consumer Protection. In any event, the division will collect additional revenues from fines and list fees that would offset at least part of the increased costs.

Information Sources: Attorney General's Office, Department of Legislative Services

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