

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2049 - SB 1928

February 9, 2016

SUMMARY OF ORIGINAL BILL: Establishes the *Government Impostor and Deceptive Advertisements Act* ("Act") that prohibits any person or entity from using or employing any advertisement for the purpose of selling goods or services which simulate a summons, complaint, jury notice or other judicial, or administrative process of any kind, or which represent, imply, or cause a likelihood of confusion that the advertisement is a part of or associated with a unit of any governmental entity, when such claim is false.

Specifies conditions by which any person or entity can avoid a violation by providing a proper disclosure notice as specified by the bill. Any violation of the Act is considered an unfair or deceptive act or practice, punishable as a Class B misdemeanor.

Authorizes the Attorney General and Reporter's Office to investigate any potential violations of this Act in accordance with Tenn. Code Ann. §§ 47-18-106 and 47-18-108 regarding investigations arising from violations of the *Consumer Protection Act of 1977*. Any person failing to timely respond to a request for information from the Attorney General and Reporter's Office is considered to have committed a violation of this Act.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (012154): Adds new subsection "(f)" to the bill, which establishes that any action in violation of this Act is an unfair or deceptive act affecting the conduct of trade and commerce; authorizes a court to order a person found guilty of any violation of this Act to pay the state up to \$100 for each advertisement distributed that is in violation of this Act and to reimburse the state for the reasonable costs and expenses of investigating and prosecuting a violation of this Act, with any funds received through this penalty to be retained by the Attorney General and Reporter's Office to be used in the enforcement of this Act and other consumer protection related activities. Deletes "items" in subsection (c)(4) of Section 1 of the bill and replace such word with "documents."

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FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The Division of Consumer Affairs of the Department of Commerce and Insurance, in conjunction with the Attorney General and Reporter’s Office will have authority to investigate complaints regarding violations of this Act.
- The Division of Consumer Affairs and the Attorney General and Reporter’s Office can accommodate any additional complaints or cases utilizing existing resources during normal work hours.
- No significant number of violations resulting in penalties or fines.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

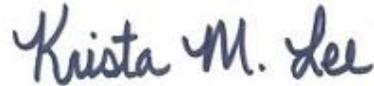
Unchanged from the original fiscal note.

Assumption for the bill as amended:

- Businesses which may be at risk of committing a violation will provide proper disclosure as prescribed by the provisions of the bill in order to avoid committing an offense under this Act; therefore, no significant impact to commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jdb