

State Corporation Commission
2004 Fiscal Impact Statement
REVISED

1. Bill Number HB263

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Morgan

3. Committee Commerce and Labor

4. Title Credit card and other open-end accounts; cancellation, notification, and liability

5. Summary/Purpose:

Credit card and other open-end accounts; cancellation, notification, and liability. This bill seeks to require businesses that issue (i) credit cards, or (ii) open-end credit accounts, to cancel said accounts within 48 hours after receiving a cancellation request from an account holder, or within 48 hours after any outstanding balances are paid in full if the account is not paid in full at the time of the request for cancellation. The bill creates certain notification requirements for affected businesses, and prescribes that account holders are not liable for any charges they did not authorize. Failure to comply with the provisions of this bill would constitute violations of the Virginia Consumer Protection Act (VCPA).

6. Fiscal Impact Estimates are: Preliminary

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2004-05	\$54,252	1	GF
2005-06	\$48,252	1	GF

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2004-05	\$0	None	N/A
2005-06	\$0	None	N/A

7. Budget amendment necessary: Yes

8. Fiscal implications: This bill creates a new prohibited practice under the VCPA. The additional costs are associated with one FTE position to investigate related violations.

9. Specific agency or political subdivisions affected: Virginia Department of Agriculture and Consumer Services, Office of Consumer Affairs; State Corporation Commission's Bureau of Financial Institutions.

10. Technical amendment necessary: None noted at this time.

11. Other comments: None

Date: 01/13/04 EJJ,JR

cc: Secretary of Commerce and Trade