

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: SB95

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

2. Patron: Reynolds

3. Committee: Courts of Justice

4. Title: Pyramid promotional schemes; definition thereof, penalty.

5. Summary: The substitute bill clarifies the definition of “pyramid promotional scheme” to mean one in which a person gives consideration for the opportunity to receive future compensation that is derived primarily from the introduction of other persons into the plan. The bill provides that violations would constitute prohibited practices under the Virginia Consumer Protection Act.

6. Fiscal Impact Estimates: Preliminary.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2010	\$58,200	1.0	general
2011	\$58,200	1.0	general
2012	\$58,200	1.0	general
2013	\$58,200	1.0	general
2014	\$58,200	1.0	general

7. Budget Amendment Necessary: Yes, Item 97 of House Bill/Senate Bill 30. From information available on the proposed budget amendments, it does not appear that an amendment has been included in the budget bill in the bill’s house of origin.

8. Fiscal Implications: The Department of Agriculture and Consumer Services’ Office of Consumer Affairs is responsible for making inquiries into violations of the Consumer Protection Act and referring cases to judicial officials for prosecution. The department estimates that the workload resulting from the bill will necessitate one additional full-time position at an estimated annual cost of \$58,200. The estimate includes salary and fringe benefits, information technology charges, supplies, and travel. According to the department, it cannot absorb the costs within current resources.

9. Specific Agency or Political Subdivisions Affected: Department of Agriculture and Consumer Services.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/22/2008 dpb

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cc: Secretary of Agriculture and Forestry