



JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION
Fiscal Impact Review
2010 Session

Bill Number: SB 388 as Introduced
Review Requested By: Senator Locke

JLARC Staff Fiscal Estimates

SB 388 would transfer certain consumer protection activities from the Virginia Department of Agriculture and Consumer Services (VDACS) to the Office of Attorney General (OAG). Although no fiscal impact statement is currently available, JLARC staff contacted the agencies which indicate that the introduced version of the bill would have the effect of transferring 12 staff positions and approximately \$800,000 (of which no more than \$64,000 would be General Funds) from VDACS to OAG. Because the bill would transfer existing resources, no new funding would be required.

An explanation of the JLARC staff review is included on the following page.

Authorized for Release:

Philip A. Leone
Director

Bill Summary: SB 388 would authorize the Division of Consumer Counsel of the Office of the Attorney General (OAG) to receive, investigate, and resolve complaints and related matters involving violations or alleged violations of several consumer protection laws, including the Virginia Consumer Protection Act. Current law authorizes the Department of Agriculture and Consumer Services (VDACS) to perform these services, administered through its Office of Consumer Affairs (OCA). The agencies indicate that the bill would have the effect of transferring the personnel and operations of the statewide consumer protection telephone hotline from OCA to the OAG. Under SB 388, VDACS would retain the authority to perform services related to consumer protection laws not specifically enumerated within the bill.

Discussion of Fiscal Implications: The Virginia Department of Agriculture and Consumer Services (VDACS) currently provides the staff and resources to perform the functions that SB 388 would transfer to the Office of the Attorney General (OAG).

Although no fiscal impact statement is available for JLARC staff to review, the agencies indicate that the introduced version of SB 388 would result in the transfer of 12 positions and approximately \$800,000 per fiscal year from VDACS to OAG. The \$800,000 would consist primarily of non-general funds (NGF) received by VDACS from the registration of entities regulated by consumer protection laws, with VDACS estimating that less than 8%, or approximately \$64,000, would come from general fund (GF) sources. VDACS would retain 10 positions to process consumer complaints not affected by SB 388.

Budget Amendment Necessary: Yes, transferring resources from VDACS to OAG. No new general funds (GF) are required.

Agencies Affected: Department of Agriculture and Consumer Services; Office of the Attorney General.

Date Released, Prepared By: 2/1/2010. Walt Smiley, David Reynolds.