

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 13, 2005

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1833 by Chisum (Relating to disclosure required for the creation of certain consumer contracts solicited by mail; providing a civil penalty.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Subchapter D, Chapter 35, Business and Commerce Code by adding Section 35.455 which requires a person that solicits business by mailing an individual a check or draft payable to the individual must (1) include specific disclosures in 12-point boldfaced type on the face of the check; and (2) send notice 2 weeks before expiration of the time period, if the offer includes a free membership period, trial period, or other incentive with a time limit.

This Act takes effect on September 1, 2005.

The proposed legislation may result in new complaints, investigations or cases by the Office of the Attorney General, however, it is projected that this increase could be absorbed within current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General

LBB Staff: JOB, SD, JRO, MS