

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 425** HLS 26RS 1074
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 30, 2026	5:05 PM	Author: LANDRY, MANDIE
Dept./Agy.: Attorney General		Analyst: Daniel Druilhet
Subject: Consumer Protection Practices - Customers Engaging with		

CONSUMERS/PROTECTION OR SEE FISC NOTE GF EX Page 1 of 2
 Provides for consumer protection practices for customers engaging with artificial intelligence

Proposed law provides for the definition of "automated system"; provides that it is an unfair or deceptive trade practice for a corporation, organization, or person to engage in a commercial transaction or trade practice with a consumer in this state in which the consumer is communicating or otherwise interacting with an automated system and either (1) the consumer is not notified in a clear and conspicuous manner that the consumer is communicating with an automated system and not a human being or (2) the consumer may reasonably believe he is engaging with a human; provides that a consumer subjected to a commercial transaction that does not comply with the proposed law may initiate a civil action against the corporation, organization, or person that engaged in that transaction; provides that a corporation, organization, or person that fails to comply with the proposed law with respect to any consumer is liable to the consumer for actual damages sustained by the consumer as a result of the violation plus statutory damages not to exceed \$1,000, or in the case of a class action, an amount the court determines for the class, not to exceed \$10 M; provides that the AG may seek injunctive relief against a corporation, organization, or person that fails to comply with the proposed law; provides that a corporation, organization, or person found by a court to be in violation of the proposed law is liable for a civil penalty not to exceed \$5 M.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Attorney General and District Courts

Proposed law may result in an increase in workload within the Office of the Attorney General (AG), to the extent that the AG pursues civil suits to seek injunctive relief against a corporation, organization, or person in violation of the proposed law. The exact fiscal impact to the AG is indeterminable, as it is unknown the number of instances in which the AG will pursue injunctions under the proposed law.

To implement the proposed law, the Department of Justice advises that they will require two (2) additional T.O. positions (an Assistant Attorney General with an initial salary of \$85,000 and an Administrative Assistant with an initial salary of \$60,000). These salaries will increase annually by 4% in the out years for market rate adjustments. Additionally, the department will require operating expenses consisting of travel, supplies, equipment, and office furniture to accommodate the new positions. See below for a breakdown of the required expenditures.

Expenditure Category	FY 27	FY 28	FY 29	FY 30	FY 31
Salaries:	\$145,000	\$150,800	\$156,832	\$163,105	\$169,629
Related Benefits:	\$ 70,243	\$ 72,253	\$ 74,342	\$ 76,516	\$ 78,777
Total Personal Services:	\$215,243	\$223,053	\$231,174	\$239,621	\$248,406
Operating Expenses:	\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500
Equipment:	\$ 14,000	\$ 0	\$ 0	\$ 0	\$ 0
Total SGF Expenditures:	\$254,743	\$248,553	\$256,674	\$265,121	\$273,906

The Legislative Fiscal Office (LFO) cannot independently corroborate the need for an additional three T.O. positions within the Office of the Attorney General for investigation and litigation seeking injunctive relief, restitution, civil penalties, and overall enforcement of violations of the proposed law. To the extent implementation may be achieved through existing staff, realized costs may be less than reported. To the extent that the increase in workload differs from what is anticipated by the Attorney General, and existing staff are able to manage the increase, estimated expenditures may be lower than those provided in this fiscal note.

[CONTINUED ON PAGE TWO]

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
 Deputy Fiscal Officer



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 425** HLS 26RS 1074
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 30, 2026 5:05 PM	Author: LANDRY, MANDIE
Dept./Agy.: Attorney General	
Subject: Consumer Protection Practices - Customers Engaging with	Analyst: Daniel Druilhet


CONTINUED EXPLANATION from page one:

[CONTINUED FROM PAGE ONE]

Additionally, along with potential civil litigation pursued by AGs, local courts may experience an increased caseload associated with those persons harmed (by corporations, organizations, or persons engaging in commercial transactions in violation) seeking civil actions (either members of a class in a class action lawsuit) for actual damages, statutory damages, and civil penalties. The exact fiscal impact to Local funds expenditures by courts is indeterminable, as it is unknown the impact on caseload in local courts that will occur under the proposed law.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
Deputy Fiscal Officer