LEGISLATIVE FISCAL OFFICE
Fiscal Note

Louisiana Legislative Fiscal Office
Fiscal Notes

Fiscal Note On: **HB 219** HLS 12RS 465
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: March 22, 2012 9:39 AM
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Dept./Agy.: Corrections
Subject: Home Improvement Fraud
Analyst: Matthew LaBruyere

CRIME OR DECREASE GF EX See Note

Increases the value of the contract for home improvement or the amount of damage caused by home improvement fraud to be consistent with theft provisions

Proposed legislation changes the parameter of the contract or damage for home improvement fraud to be consistent with the present law theft provisions as follows: increases the parameter of the contract or cost to repair from less than $300 to less than $500; increases the parameter of the contract or cost to repair from $300 or more, but less than $500 to $500 or more, but less than $1,500; and increases the parameter of the contract or cost to repair from more than $500 to $1,500 or more.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	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

The proposed legislation may result in an indeterminable decrease in state general fund expenditures as a result of increasing the parameters for a home improvement contract. The exact fiscal impact of the passage of this legislation is indeterminable since it amends the gradation scale for penalties depending on the value of the contract for home improvement and it is not known how many people will be convicted of these crimes.

Under current law, home improvement fraud of less than $300 is a misdemeanor; therefore, defendants that are convicted would serve their sentence (no more than 6 months) in a parish facility and not in the custody of the Department of Corrections (DOC). The proposed legislation increases the amount for a misdemeanor to less than $500.

Under current law, home improvement fraud of more than $300, but less than $500 is a felony; therefore, those convicted would serve up to 2 years with or without hard labor and be in DOC custody. Under the proposed legislation, the crime is a misdemeanor and offenders would serve no more than 6 months in a parish facility. For each offender that is convicted of home improvement fraud of less than $500, the state would realize a maximum savings of $17,804 (1 offender x $8,902 cost per year x 2 years) if the offender is housed in a local facility or $37,048 (1 offender x $18,524 per year x 2 years) if the offender is housed in a state facility. Local governmental entities expenditures would increase as a result of housing offenders convicted of home improvement fraud of less than $500.

Under current law, home improvement fraud of more than $500 is a felony; therefore, defendants that are convicted would serve up to 10 years with or without hard labor and be in DOC custody. Under the proposed legislation, those convicted of home improvement fraud of more than $500, but less than $1,500 would serve up to 2 years with or without hard labor and be in DOC custody, which is 8 years less than current law. For each offender that is convicted of home improvement fraud of more than $500, but less than $1,500, the state would realize a maximum savings of $71,216 (1 offender x $8,902 cost per year x 8 years) if the offender is housed in a local facility or $148,192 (1 offender x $18,524 per year x 8 years) if the offender is housed in a state facility. It should be noted that defendants convicted under current law that had a contract or caused damage over $1,500 would still be imprisoned for up to 10 years.

REVENUE EXPLANATION

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

Senate	Dual Referral Rules	House
☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}		☐ 6.8(F)1 >= $500,000 Annual Fiscal Cost {S}
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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