NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR:	Rawson		DATE TYPED:	01/31/03	HB	
SHORT TITL	E:	Unfair Trade Practic	es		SB	118
ANALYST:						Martinez

APPROPRIATION

Appropriatio	on Contained	Estimated Add	litional Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION LFC Files

<u>Responses Received From</u> Attorney General Public Regulation Commission

SUMMARY

Synopsis of Bill

Senate Bill 118 amends the Unfair Practices Act prohibiting seller-initiated telephone sales utilizing automatic dialing equipment that engages the telephone numbers of more than one person at a time and prohibits such equipment that requests credit card numbers prior to the potential customer communicating the desire to use a credit card to pay for a purchase.

Significant Issues

Telemarketing practices are currently regulated pursuant to the Unfair Practices Act (Sections 57-5A-1 to 57-5A-5 NMSA 1978), and Trade Practices and Regulations, specifically Section 57-12-22 NMSA 1978 which sets out procedures, times, required disclosures regarding telephone solicitation sales. The Attorney General is charged with the duty of enforcing Trade Practices and Regulations and is given statutory authority to bring actions, seek injunctions, negotiate settlements and restitution, and seek civil penalties.

Senate Bill 131 -- Page 2

The use of the telephone to market goods and services to the home and to other bus inesses is now pervasive due to the increased use of cost-effective telemarketing techniques. Unrestricted telemarketing, however, can be an intrusive invasion of privacy. Many consumers are outraged over the proliferation of intrusive and some times confusing calls to their homes from telemarketers.

The consumer protection policy implicated by this legislation provides how to balance an individuals' privacy rights and commercial freedom of speech in a way that protects the privacy of individuals and permits legitimate telemarketing practices. While many consumers enjoy and benefit from unsolicited telemarketing contacts from legitimate telemarketers, many other consumers object to these contacts as an invasion of privacy and have expressed an intention to refuse to respond to such telemarketing contacts.

Legitimate telemarketers have no further legitimate interest in continuing to participate in unlawful trade practices and to invade the privacy of those consumers who have affirmatively expressed their objections to such contact. Moreover, legitimate telemarketers can make their telemarketing efforts even more cost-effective by avoiding calling those consumers who have affirmatively expressed an objection to any telemarketing contact.

MM/njw