

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1673-01
Bill No.: SB 533
Subject: Liability; Sovereign or Official Immunity; State Departments
Type: Original
Date: March 5, 2007

Bill Summary: The proposal provides that the limitations for tort liability for public entities shall be measured at the time of the original occurrence giving rise to the claim.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Road	Unknown	Unknown	Unknown
Conservation	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration – Administrative Hearing Commission** assume the proposal would have no fiscal impact on their agency.

Officials from the **Office of the Attorney General (AGO)** assume the proposal would introduce additional issues into legal expense fund claims, adding to the complexity of that litigation. AGO assumes that any costs arising from the proposal could be absorbed with existing resources.

Officials from the **Office of Administration – General Services Division (COA)** assume Missouri Public Entity Risk Management Fund (MOPERM) provides property and liability coverage to Missouri local governments.

Section 537.610.5 addresses the limitation on awards for liability claims. Under the new language the limitation to be applied on a particular claim shall be the limitation in force at the time of the original occurrence giving rise to the claim.

The new language has the potential to reduce amounts paid on liability claims and makes it easier to establish adequate reserves.

COA assumes the proposal would result in unknown savings to local governments.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Department of Transportation (MoDOT)** assumes the proposal could result in a positive fiscal impact.

Officials from the **Department of Conservation (MDC)** assume the proposed legislation would have an unknown fiscal impact on MDC funds.

Officials from the **City of Centralia** assume the proposal would result in possible unknown minor savings in insurance. Also, officials assume an unknown, perhaps moderate savings in the difference between the coverage and award.

ASSUMPTION (continued)

Officials from the **City of Kansas City** assume they would realize a savings as a result of the provision capping the city's liability as of the date of injury, rather than the date of judgment. As the statutory cap rises annually, this proposal will ensure the city does not face increasing liability for past injuries. The extent of the savings per fiscal year is unknown, as it will depend on the number of suits filed and the extent of any injuries.

Officials from the **City of West Plains** assume the proposal may result in a positive impact by limiting the amount of the claim.

Officials from **Texas County** assume the proposal would not have a negative impact on the county's general revenue fund.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
HIGHWAY FUND			
<u>Savings – Department of Transportation</u> Tort liability	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
CONSERVATION			
<u>Savings – Department of Conservation</u> Tort liability	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON CONSERVATION FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
POLITICAL SUBDIVISIONS			
<u>Savings</u> – Local governments			
Liability limits	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

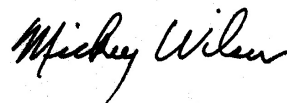
FISCAL DESCRIPTION

The proposed legislation provide that the limitations for tort liability for public entities shall be measured at the time of the original occurrence giving rise to the claim.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Office of Administration
 – General Services Division
 – Administrative Hearing Commission
Office of State Courts Administrator
Department of Transportation
Department of Conservation
City of Centralia
City of Kansas City
City of West Plains
Texas County



L.R. No. 1673-01
Bill No. SB 533
Page 6 of 6
March 5, 2007

Mickey Wilson, CPA
Director
March 5, 2007