

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3344-04
Bill No.: SB 1024
Subject: Administration, Office of; Liability; Housing; Political Subdivisions; Public Officers; State Departments; State Employees.
Type: Original
Date: March 10, 2008

Bill Summary: This proposal modifies provisions relating to liability for tort claims against the state or state entities created under the Housing Authorities Laws.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on General Revenue Fund	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Road Fund	Unknown	Unknown	Unknown
Conservation Fund	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 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration** assume this makes changes to the state legal expense fund and the waivers of sovereign immunity. The state self-assumes its own liability protection under the state legal expense fund, Section 105.711, RSMo. It is a self-funding mechanism whereby funds are made available for the payment of any claim or judgment rendered against the state in regard to the waivers of sovereign immunity or against employees and specified individuals. Investigation, defense, negotiation or settlement of such claims is provided by the Office of the Attorney General. Payment is made by the Commissioner of Administration with the approval of the Attorney General. The changes have the potential for cost savings that cannot be determined at this time.

Officials at the **Missouri Department of Transportation (MoDOT)** assume this bill will likely result in a cost savings to MoDOT, although the exact amount of the cost savings is currently unknown.

Officials at the **Department of Conservation (MDC)** assume this proposal could have a positive impact on MDC funds by capping the financial liability for tort claims beyond the current protections. The exact amount of the impact is unknown.

Officials at the **City of Centralia** assume this proposal may bring minor reduction in liability insurance rates.

Officials at the **Office of the Attorney General** assume any costs arising from this proposal can be absorbed with existing resources.

Officials at the **Administrative Hearing Commission, Office of the State Courts Administrator, St. Louis County** and the **Department of Labor and Industrial Relations** assume that there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Savings - Limited payments</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ROAD FUND			
<u>Savings - Limited payments</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON ROAD FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
CONSERVATION FUND			
<u>Savings - Limited payments</u>	<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 2009 (10 Mo.)	 FY 2010	 FY 2011
LOCAL GOVERNMENT FUNDS			
<u>Savings - Limited payments</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT FUNDS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
 <u>FISCAL IMPACT - Small Business</u>			

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

FISCAL DESCRIPTION

Currently, the state legal expense fund is liable, excluding punitive damages, for all economic damages to any one claimant and up to \$350,000 for non-economic damages for any judgment against a state officer or employee for claims arising from the operation of a motor vehicle or from causing a dangerous condition of property. This act limits the amount of liability for such claims to 2 million dollars for all claims arising from a single occurrence, and \$300,000 for any one person in a single accident or occurrence.

If these two types of claims are brought against the state or state entities and are also brought against an officer or employee thereof, the maximum allowable recovery shall be reduced by any amount paid towards the claim by the state, its entities, its officers or employees, or anyone acting on their behalf.

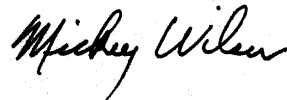
Current law provides that state entities waive their immunity for liability for claims arising from the operation of a motor vehicle, up to the dollar amount provided in current law. his act provides that if an operator of a motor vehicle owned or operated on behalf of the state or its entities is found to be immune from liability for any reason, the state or its public entities shall have no liability.

The act also repeals provisions of current law that allow a plaintiff in a negligence action against the Department of Transportation to request that the case be arbitrated.

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

Administrative Hearing Commission
City of Centralia
Office of the State Courts Administrator
St. Louis County
Department of Conservation
Department of Labor and Industrial Relations
Missouri Department of Transportation
Office of Administration
Office of the Attorney General



Mickey Wilson, CPA
Director
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