

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4255-05
Bill No.: HCS#2 for SB 976
Subject: Administrative Law; Administrative Rules; Boards, Commissions, Committees, Councils; Environmental Protection, Courts, etc.
Type: Corrected
Date: May 13, 2008
#To update the Office of State Court Administration personnel fringe costs.

Bill Summary: This proposal changes various sections relating to corporations, judicial procedure and personnel.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue#	\$596,083 to (\$2,688,059)	\$532,926 to (\$3,257,115)	\$565,788 to (\$3,969,414)
Total Estimated Net Effect on General Revenue Fund#	\$596,083 to (\$2,688,059)	\$532,926 to (\$3,257,115)	\$565,788 to (\$3,969,414)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 37 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Secretary of State Technology Trust Fund	\$193,174	\$32,201	\$0
Deputy Sheriff Salary Supplementation Fund	\$0	\$0	\$0
Crime Victims' Compensation Fund	\$0	\$0	\$0
Sexual Offense Forensic Examination Compensation Fund	\$0	\$0	\$0
Legal Services for Low Income People Fund	(Unknown over \$227,297)	\$0	\$0
Tort Victims' Compensation Fund	(Unknown)	(Unknown)	(Unknown)
Basic Civil Legal Services Fund	Unknown over \$227,297	Unknown	Unknown
Workers Compensation Fund	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$193,174 to (Unknown)	\$32,201 to (Unknown)	(Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Federal Funds	\$182,374	\$187,845	\$193,481
Total Estimated Net Effect on <u>All</u> Federal Funds	\$182,374	\$187,845	\$193,481

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
State Courts Administrator	0 or 40 FTE	0 or 40 FTE	0 or 40 FTE
Circuit Courts	0 or 19 FTE	0 or 19 FTE	0 or 19 FTE
Total Estimated Net Effect on FTE	0 or 59 FTE	0 or 59 FTE	0 or 59 FTE

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
County Sheriff Departments	\$1,467,658	\$1,761,190	\$1,761,190
Political Subdivisions	(Unknown greater than \$900,645)	(Unknown greater than \$981,362)	(Unknown greater than \$1,012,866)
Local Government	(Unknown) to \$567,013	(Unknown) to \$779,828	(Unknown) to \$748,324

FISCAL ANALYSIS

ASSUMPTION

Section 1.020 Certified Mail

In response to similar legislation HB 2194 filed this year, officials at the **Department of Revenue (DOR)** assume this bill potentially could save DOR approximately \$1.5 million in postage costs. Effective May 1, 2009, the United States Postal Service (USPS) is requiring a new intelligent barcode on mail pieces to replace the current delivery point barcodes. DOR's mail management understands that the new intelligent barcodes will allow tracking of each piece of mail. If this is an accurate understanding, because of this bill the Department will no longer need to send mail certified, and therefore save the estimated \$1.5 million.

Sections 28.160; 41.950, 347.179, 351.047-690, 355.016- 355.857 and 356.211 Corporate Filings

Officials of the **Office of the Secretary of State - Business Services** stated this proposal would increase total state revenues in FY 2009 because of corporations electing to pay an additional fee to change the due date of their corporate registration report and electing to file their report biennially rather than annually. Officials estimate the increase in revenue to the General Revenue Fund for FY 2009 at \$240,606. Officials stated that this increase will offset the decrease in revenue associated with a reduction in the online filing fee for LLC's. In FY 2010 and FY 2011 there will be a decrease in total state revenue because of the reduction in filing fees for LLC's will exceed the increase in fees associated with biennial filing and the change of the corporate registration report due date. Officials estimate the decrease in revenue for FY 2010 at (\$142,056) and at (\$783,400) in FY 2011.

FY 2010 and FY 2011 cost avoidance is in reduced postage and printing because of biennial filing. Officials estimate savings from postage and printing at \$15,287 in FY 2010, and at \$15,827 in FY 2011. These savings would be to the General Revenue Fund.

This bill allows the Secretary of State to charge an additional fee for expedited filings; and allows corporations to change the due date of their corporate registration report; it allows corporations to elect to file their corporate registration report biennially; and it will reduce the fee for LLC's organizing online.

Revenue would be generated as follows:

Expedited fees: Estimated 2 expedited requests per week at \$200 per filing.

ASSUMPTION (continued)

Reduction of online filing fees for LLC's: It is assumed that 50% of the 30,000 LLC's formed each year will file online (15,000 x \$55)

Option to change the due date of the corporate registration report: It is assumed that 30% of the 115,200 general business corporations will opt to change their due date; of those, 50% will change in FY 2009 and 50% will change in FY 2010.

Option for a biennial corporate registration report: It is assumed that 50% of the 115,200 general business and 50% of the 36,000 non-profit corporations will elect to file biennially. Corporations formed in odd numbered years can opt in an odd numbered filing year; corporations formed in an even numbered year can opt in an even numbered filing year. It is assumed that 50% will opt to file biennially, with 75% of the general business and 55% of the non-profit filing online; the remainder will file paper reports. The change will occur over two fiscal years, with 76% of the general business corporations that change changing in FY 2009 and 24% changing in FY 2010. For non-profits, the first year change will occur in FY 2010.

Officials estimate expense to the Secretary of State Technology Trust Fund of \$137,500 in FY 2009 for one time contract programming costs, and estimate income from fees in FY 2009 at \$196,125; and \$166,750 in FY 2010. The total net effect to the Technology Fund in FY 2009 is a positive \$58,625, and in FY 2010 \$166,750. There is no impact estimated for FY 2011.

Sections 57.278, 57.280, 488.435 & 650.350 Deputy Sheriff Salary Supplementation Fund

Officials from the **Office of the State Courts Administrator (CTS)** state the proposed legislation would create the "Deputy Sheriff Salary Supplementation Fund". The sheriff shall receive an additional \$10 for service of any summons, writ, subpoena, or other order of the court. While there are still problems interpreting the intent of these provisions, CTS is providing a response based on what CTS think the intent is.

In 2007, approximately 135,476 summonses were served by a sheriff. This number does not include the 21st, 25th, or 31st circuits. These circuits were not on JIS, the court automation program, for the entire 2007 year. It is estimated these circuits would increase the total number an additional 30% to approximately 176,119 summonses. The sheriff fee will generate approximately \$1,761,190 for sheriff departments. This estimate does not include possible revenues from service on a writ or order of the court.

Depending on how the legislation is implemented, there may be a cost, but there is no way to quantify the cost at this time. Any significant increase would be reflected in future budget requests.

ASSUMPTION (continued)

Officials from the **Boone County Sheriff's Department (BCSD)** stated using 2007 figures, 13,361 papers were served by the BCSD, so approximately \$133,610 could go to the state treasury for this fund. Boone County deputies receive more competitive pay than most Sheriff's Departments in this state and therefore would likely not qualify to receive supplemental income from this fund.

Oversight will utilize revenue estimates provided by CTS in the fiscal note. This amount could be understated, since CTS stated the estimate did not include possible revenues from service on a writ or order of the court. Oversight will show a gross amount of income collected by the county sheriff departments and then this revenue being transferred to the new state Deputy Sheriff Salary Supplementation Fund. These proceeds will then be transferred back to various county sheriff departments. Oversight assumes some counties will receive back more funds from the new state fund than what they collected, and conversely, Oversight assumes some counties will receive back zero or very little compared to the amount of revenue they collected and remitted to the new state fund.

Sections 167.031, 211.021, 311.033, 211.034, 211.041, 211.061, 211.071 and 211.091
Jurisdiction of Juvenile Courts

Officials from the **Office of State Courts Administrator (CTS)** assume section 211.021 would provide for juvenile court jurisdiction termination at age eighteen for status offenses.

CTS assumes this would cause a significant workload and fiscal impact on the courts. CTS anticipates there will be approximately 4,456 additional status offenses annually. Approximately 6% of status offenses result in detention. Since services provided in the juvenile justice system are significantly greater than those in the adult justice system, any adult "cost avoidance" would not be sufficient to handle the change.

Based upon projected additional violations in the 35 multi-county circuits in Missouri, the FY 2009 estimated juvenile personnel cost in these circuits would be \$1,767,489 and 33 juvenile officer FTE. Overall detention days for approximately 273 additional juveniles are projected to increase by 4,914, costing the state an additional \$68,796 in per diem reimbursement pursuant to Section 211.156, RSMo.

CTS estimate does not include the fiscal impact for the 10 single-county circuits. CTS is currently working with these circuits to determine the fiscal impact. However, CTS assumes the fiscal impact for the single-county circuits will be increased costs of approximately \$1,000,000 and 19 additional juvenile officer FTE.

ASSUMPTION (continued)

Oversight assumes the Office of State Courts Administrator would incur increased costs due to a significant increase in workload. Oversight assumes these costs to be more than \$100,000 per fiscal year.

Oversight assumes the Office of State Courts Administrator (CTS) would incur an increase in the per diem reimbursement pursuant to Section 211.156. Based on information received from CTS, Oversight assumes the increased per diem reimbursement to be more than \$68,796 per fiscal year.

Oversight assumes the single-county circuits would incur the cost of the salaries, fringe benefits, and equipment and expenses for 19 FTE. For fiscal note purposes, Oversight assumes the salary and fringe benefit percentage per FTE would be the same as provided by the CTS.

Oversight assumes counties would incur the equipment and expense costs for the 52 FTE juvenile officers. Oversight assumes this cost to be approximately \$2,500 per FTE in FY 09 and approximately \$500 per FTE in subsequent years.

Oversight has reflected all costs as \$0 or the estimated cost because the proposal would not take effect until appropriations for additional juvenile officers and deputy juvenile officers exceeds by \$3.8 million the amount spent by the state for such officers in FY 2007. Information provided by Office of State Courts Administrator indicates the actual amount spent in FY 2007 for juvenile officers was \$9,388,562.

Section 168.133 Criminal Background and Fingerprint Collection in regards to School Districts
Officials at the **Department of Elementary and Secondary Education** assume this proposal as written raises several issues:

- 1) The language allows the criminal background check and fingerprint collection to be transferable from one school district to another district. FBI rules currently prohibit this practice.
- 2) The proposed language speaks to not requiring fingerprints when adding a different type of certificate. The department requires new fingerprints when adding a different "classification." While this difference is subtle, the terminology could open a loop-hole.
- 3) There appears to be some uncertainty as to whether the language will result in additional costs and procedures for the department and local school districts. One interpretation is that the new language simply speaks to the one-year validity of the background check and fingerprint

ASSUMPTION (continued)

collection; therefore, no additional fiscal impact will be incurred. Another interpretation is that the language will require every individual having contact with any pupil to undergo the criminal background check and fingerprint collection on an annual basis. Should the second interpretation be correct, the result will be annual costs to locals totaling \$4,056,000 (78,000 pupil contact individuals x \$52 fee) and a significant increase in workload for the department.

In response to similar legislation HB 1722 filed this year, **Oversight** assumes, based on information from the Department of Public Safety - Missouri State Highway Patrol, that background information may be transferred from one government entity to another; therefore, such information can be transferred from one school district to another during the period outlined in the proposed legislation. Oversight assumes no significant fiscal impact to DESE or local school districts.

Section 191.225, 595.045 & 595.107 Transfer of Sexual Assault Forensic Examination Payments
Officials from the **Department of Health and Senior Services (DHSS)** assumed they currently pay medical providers to cover the forensic exam charges for people who may be victims of sexual offenses. This legislation would transfer that responsibility to the Department of Public Safety (DPS). DHSS would transfer the core funding for this program to DPS.

Executive Order 08-04 signed by Governor Matt Blunt on February 6th, 2008, transferred the Sexual Assault Evidentiary Kit and Exam Payment Program from the DHSS to the DPS. This legislation would also transfer the statutory responsibility to the DPS, corresponding to Executive Order 08-04.

DHSS would transfer the core funding of \$322,675 General Revenue and \$50,000 federal funds to DPS. In addition, DHSS requested a new decision item for \$2,337,338 in the FY 2009 budget to pay for the expected increased costs of the forensic exam charges. This decision item would no longer be needed by DHSS.

Oversight assumes annual costs for forensic examinations in the amount of \$372,675 which are currently paid from the General Revenue and Federal Funds would be made from the newly created Sexual Offense Forensic Examination Compensation Fund. Oversight assumes the General Revenue Funds (\$322,675) and the Federal Funds (\$50,000) currently appropriated for forensic examinations of sexual offense victims would be transferred to the Sexual Offense Forensic Examination Compensation Fund. In addition, Oversight assumes funds from the Crime Victims' Compensation Fund of an unknown amount would be transferred to the Sexual Offense Forensic Examination Compensation Fund.

ASSUMPTION (continued)

Officials from the Department of Public Safety – Director’s Office assume Executive Order 08-04 transfers payment of sexual forensic examinations provided to victims of sexual assault from the Department of Health and Senior Services to the Department of Public Safety. This bill makes the statute changes required due to this Executive Order, and establishes the Sexual Offense Forensic Examination Compensation Fund.

Pursuant to Executive Order 08-04, the Sexual Assault Evidentiary Kit and Exam Payment Program is being transferred from the Department of Health and Senior Services to the Department of Public Safety. The transfer includes one staff and \$50,000 from federal funds along with \$322,675 general revenue core program funding. In addition, \$1,337,338 of the \$2,337,338 new decision item requested to fund additional forensic examination previously recommended for the Department of Health and Senior Services will now be recommended in the Department of Public Safety. The remaining \$1,000,000 of the new decision item requested will be recommended in the Department of Social Services for a program to assist victims of sexual assault.

#Sections 452.305, 454.500, 455.005 and 566.226 Marriage and Dissolutions, Child Custody and Child Support, Orders of Protection

Officials at the **Office of the State Courts Administrator** assume these sections includes various clerk redaction provisions for marriage, dissolution of marriage, child custody, child support, orders of protection and victims of assault. Redacting of these records will be time consuming for court clerks. In addition, courts may incur costs to set up a unique filing system for these records. While we are unable to provide a specific dollar amount at this time, the cost would easily exceed \$100,000 in any given year.

Section 217.831 Petition to Reimburse State for Cost of Care of Offender

In response to similar legislation HB 1493 filed this year, officials from the **Office of the Attorney General (AGO)** assume this proposed change will enhance the AGO’s ability to bring collection actions under the MO Inmate Reimbursement Act (MIRA). AGO assumes this proposed change will result in an increase in collections of over \$100,000 annually.

Section 267.165 National Animal Identification

Officials at the **Department of Agriculture** assume no fiscal impact from this proposal.

Section 287.067 Police Officers Workers Compensation Benefits

In response to similar legislation HB 1399 filed this year, officials with the **City of Webb City, City of West Plains, City of North Kansas City** and the **St. Louis County** assume unknown

ASSUMPTION (continued)

costs from this proposal as a result of an increase in workers compensation premiums.

In response to similar legislation HB 1399 filed this year, officials at the **Office of Administration** assume this expands workers' compensation coverage to include psychological stress directly resulting from the employment for paid police officers of police departments certified under Chapter 590 which includes law enforcement officers of the state. The proposed legislation has the potential for costs that cannot be determined at this time.

Officials at the **Department of Labor and Industrial Relations** assume this may increase the number of persons eligible for workers' compensation benefits but the potential costs can not be determined at this time.

Section 290.505 Overtime Calculations

In response to similar legislation SB1007 filed this year, officials at the **Office of Administration** assume this proposal affects all state agencies since it changes overtime provisions of state law. However, the main impact of the proposed legislation is upon the Department of Corrections and the Adjutant General of the Department of Public Safety. Those state agencies employ flexible schedules for overtime calculations under federal law.

The Department of Corrections would have 133 employees affected at an average salary of \$27,628 per annum.

The Adjutant General has 24 employees affected at an average salary of \$35,735.

The OA estimate of General Revenue Fund costs which could be avoided if the proposal was implemented totaled \$240,379 for FY09, \$247,590 for FY10 and \$255,017 for FY11. Costs avoided for Federal Funds were estimated at \$182,374 for FY09, \$187,845 for FY 10, and \$193,481 for FY11. The OA estimate represents the overtime costs if the same number of hours were worked on a forty-hour work week basis as opposed to the current 28-day schedules. Benefits are calculated at 27.05%, instead of 44.22% as the cost estimates affect existing employees and does not require the addition of more employees.

Sections 351.408 & 351.409 Conversion to a Corporation

Officials of the **Office of the Secretary of State - Business Services Division** stated that since there are no new fees indicated in the proposed legislation, it is assumed that the filing fees for a conversion will be the same as a filing fee for a new entity filing. While it is unknown how many entities would file a conversion, it is anticipated that the number of mergers and

ASSUMPTION (continued)

consolidations would decrease as a result of the ability to convert, and that there would be no substantial increase or decrease in revenue. It is anticipated that existing staff would be used to process conversion filings. Officials stated they would need to modify existing system to accept and process a conversion. Officials estimate a one-time programming cost of \$35,000 in FY 09.

Officials assume the income generated from the conversion fee in FY 09, would be in amount sufficient to defray the programming costs of \$35,000.

Oversight assumes no local government fiscal impact.

Section 359.681 Uniform Limited Partnership Law

Officials at the **Office of the Secretary of State** assume there will be a one time cost of \$20,000 to modify its existing database system to accommodate the necessary changes. There will be a one time cost for contract labor of \$20,480 to perform database entry of the necessary information on the limited partnerships into the existing database system. There will be a reoccurring cost for printing and mailing of notices in the amount of \$500 per year.

Database modification costs and contract labor costs are estimated by using cost figures from previous projects. This project is estimated to take 8 weeks to complete, using 8 people, 40 hours per week, at \$8.00 per hour. Costs for printing and postage are estimated to be \$.50 per notice and we estimate that we will need to send out approximately 1000 notices per year.

Sections 417.011, 417.016, 417.018, 417.026, 417.031, 417.046 & 417.049 Registration of a Trademark

Officials at the **Office of the Secretary of State** assume the revenue estimate assumes a 10% increase in filings the first year as a result of being able to file a trademark or service mark based on the intent to use rather than actual use before being able to file and also an increase in the filing fee of \$25 per filing. The increase in filings will be absorbed by existing staff.

Section 417.210 Fictitious Name

Officials of the **Office of the Secretary of State - Business Services Division** stated that currently Section 417.210 RSMo requires all fictitious name registrations filed on or before August 28, 2004, to renew the registration within six months prior August 28, 2009. This is a new responsibility placed on the SOS as mandated by HB 1664, in the 2004 legislative session. Registrations filed August 28, 2004, and after, have a five year expiration from the date they are filed in the Secretary of State's office.

Under current law there are approximately 475,600 fictitious name registrations that will expire

ASSUMPTION (continued)

on August 28, 2009, if not renewed. The SOS will mail a postcard type mailer to each of these business registrations to notify them of the requirement to renew their registration. It is estimated that between 45% - 50% will renew the fictitious name registration between February and August 28, 2009, placing a huge burden on business filers and the SOS.

Officials estimate they would have a reduction in postage costs in FY 2009 and an increase in postage costs in FY 2010. Officials assume the costs and savings would be \$134,549 in each of the fiscal years. Fiscal impact would be to the Secretary of State Technology Trust Fund.

Section 454.905 and 454.951

Officials as the **Department of Social Services Family Support Division (FSD)** assume this proposed legislation is inconsistent with federal law and would likely result in the federal government finding that Missouri is out of compliance with Title IV-D State Plan requirements. Failure to comply with Title IV-D State Plan requirements will result in a total loss of federal funding including incentives. This amount for federal fiscal year 2007 was approximately \$53 million. Any loss of federal funding would have to be replaced by General Revenue. A federally approved IV-D State Plan is also a requirement to receive the TANF (Temporary Assistance for Needy Families) block grant. So, a disapproved IV-D State Plan could also jeopardize federal TANF funding.

42 USC, Section 666(f) requires states to have in effect the Uniform Interstate Family Support Act as approved by the American Bar Association on February 9, 1993, and as in effect on August 22, 1996, including any amendments officially adopted as of such date by the National Conference of Commissioners on Uniform State Laws.

The proposed legislation adopts the 2001 amendments to the 1996 version of the Uniform Interstate Family Support Act (UFISA) made by the National Conference of Commissioners on Uniform State Laws (NCCUSL). The 2001 amendments are meant to clarify and enhance the 1996 version of UIFSA. The basic principles of UIFSA remain intact.

The proposed legislation would require the division to change its procedures and forms. These changes can be accomplished with existing staff. The division expects proposed Sections 1, 2, and 3 to impact its ability to enforce support orders through contempt actions. No additional resources will be needed as a result of these proposed sections (no FTE or additional funds requested for prosecuting attorneys). FSD is unable to estimate the impact to collections.

Oversight assumes the loss of federal funding resulting from this proposal is speculative and therefore, have not included the estimate in the fiscal note.

ASSUMPTION (continued)

Section 476.083 Circuit Court Marshal

Officials from the **Office of State Courts Administrator (CTS)** assume under the new legislation, 7 additional circuits would be eligible to apply for a circuit court marshal: 5th, 12th, 13th, 14th, 25th, 33rd, and 45th. The highest average sheriff's salary for these circuits is \$56,932. 90% of the average highest sheriff's salary is \$51,239. Therefore, CTS assumes the approximate cost for the 7 FTE is \$307,861, plus fringe benefits.

Oversight assumes the proposal would allow, but not require, the appointment of a circuit court marshal. Therefore, Oversight has ranged the fiscal impact from \$0 to approximately \$450,000 in FY 2009 and from \$0 to approximately \$550,000 in subsequent years.

Officials from **Pike County** assume they would incur costs of \$29,000 in salary and \$9,000 in benefits for the additional officer. Officials assume the total cost to be \$38,000.

Oversight assumes Pike County would not incur salary or fringe benefit costs, as these costs would be paid by the state through the Office of State Courts Administrator.

Officials from the **Randolph County** assume they would save approximately \$30,000 annually in salary and benefits for the deputy that now performs the security duties. Additionally, the deputy would be free to return to the sheriff's office for assignment.

Oversight assumes the Randolph County deputy now performing security duties would be reassigned within the sheriff's office if a circuit court marshal is appointed. Therefore, the fiscal note does not reflect a savings to Randolph County.

Sections 478.387, 478.437, 478.463, 478.513, 478.750, 478.755 & 478.760 Judges

Officials at the **Office of the State Courts Administrator** assume this bill would remove six circuit judges from the 22nd circuit and one circuit judge from the 43rd circuit. It is unclear when each of these circuit judge positions will expire. To simplify fiscal calculations, it is assumed these circuit judge positions will end on October 1, 2008 and therefore only 9 months of costs or savings is identified in FY 2009.

Beginning October 1, 2008, a total of seven associate circuit judge positions will be added to 16th, 21st, 31st, 39th and 40th circuits. For each associate circuit judge, the cost is as follows:

Associate Circuit Court Judge: \$106,181 per year, plus fringes
Court Clerk III: \$30,264 per year, plus fringes

ASSUMPTION (continued)

After the circuit judge positions expire, the state will annually save approximately \$400,000 per year. The total cost for the new associate circuit judges and their court clerks is \$1,258,513 in FY 2009, \$2,037,882 in FY 2010 and \$2,081,722 in FY 2011. The total savings achieved from the removal of circuit judges is \$1,518,510 in FY 2009, \$2,450,778 in FY 2010 and \$2,505,524 in FY 2011.

There may be some additional county costs for these new judge positions.

Oversight assumes certain counties and the City of St. Louis may experience a savings in expenses for the decreased number of circuit judges and court reporters. Also, certain counties may experience increased costs with an increase in the number of associate circuit court judges and court clerks. For fiscal note purposes, Oversight assumes the unknown savings and unknown costs to counties will net to zero. Additionally, Oversight has shown the FTE loss of 7 circuit judges and 7 court reporters and the gain of 7 associate circuit judges and 7 court clerks as netting to zero.

Section 478.466 Drug Court Commissioner

Officials from the **Office of State Courts Administrator (CTS)** assume, beginning August 28, 2008, the proposed legislation would remove the requirement that the state be reimbursed by Jackson County for salary and benefits of the drug court commissioner in the 16th judicial circuit. The compensation for a drug court commissioner is the same as for an associate circuit judge (\$106,181 per year plus fringe benefits). CTS assumes the total cost of the legislation to be approximately \$163,000 in FY 2009 and approximately \$200,000 in subsequent years.

Oversight assumes the proposal does not address the current payment of equipment and expenses of the drug court commissioner. Therefore, the fiscal note does not reflect any cost or savings to equipment and expenses.

Oversight assumes the proposal would result in savings to Jackson County because they would no longer be required to reimburse the state for the salary and benefits of the drug court commissioner. Oversight assumes the savings to be approximately \$162,000 in FY 2009 and approximately \$200,000 in subsequent years.

Sections 479.260 Court Costs in Criminal and Municipal Cases where Charges are Dismissed

Officials from the **Office of State Courts Administrator (CTS)** assume these sections would allow courts to charge costs in some criminal and municipal cases where the charges are dismissed.

ASSUMPTION (continued)

Sections 488.012 & 488.033 Circuit Clerk Record Preservation Fund

Officials from the **Office of State Courts Administrator (CTS)** assume beginning September 1, 2008, the proposed legislation would impose a \$4.00 court cost in all civil and criminal cases, including municipal and ordinance violations. This money is to be deposited into the circuit clerk's record preservation fund, which is created in the legislation. While there are still problems interpreting the intent of these provisions, CTS is providing a response based on what they think the intent is.

CTS calculation takes into account the fact that felony collection rates are only between 50% and 60%, and misdemeanor collection rates average 80%. This court cost is assessed on misdemeanor and felony cases. Since these defendants often do not have steady employment or cash reserves, the court often gives the defendants the period of probation to pay the costs and fines. Therefore, the revenue generated the first year is less than that generated in subsequent years. CTS assumes the felony collection rate increases over a period of four years, which CTS believes to be the average probation served for felonies. The collection rate for misdemeanors increases over two years, the average probation time for misdemeanants.

Exclude Fine Collection Center:

Based on a 50% felony collection rate, CTS calculations indicate that the legislation will produce \$1,898,794 in the 1st 12 months, \$2,070,755 in the 2nd 12 months, \$2,087,176 in the 3rd 12 months, and \$2,103,598 annually thereafter. Based on a 60% felony collection rate, CTS calculations indicate that the legislation will produce \$1,902,078 in the 1st 12 months, \$2,077,323 in the 2nd 12 months, \$2,097,029 in the 3rd 12 months, and \$2,116,735 annually thereafter.

Include Fine Collection Center:

Based on a 50% felony collection rate, CTS calculations indicate that the legislation will produce \$2,368,558 in the 1st 12 months, \$2,540,519 in the 2nd 12 months, \$2,556,940 in the 3rd 12 months, and \$2,573,362 annually thereafter. Based on a 60% felony collection rate, CTS calculations indicate that the legislation will produce \$2,371,842 in the 1st 12 months, \$2,547,087 in the 2nd 12 months, \$2,566,793 in the 3rd 12 months, and \$2,586,499 annually thereafter.

Officials at the **Office of the Secretary of State** assume that processing, duplicating and storage of a reel of silver halide film would cost the Division \$18.34. This cost includes labor for the quality control technician, the processing and duplicating technician and cost of supplies. With an estimated yearly intake of 500 to 2000 reels, that would cost the Division \$9,175 - \$36,680 per year in the first year. This cost would come from General Revenue as there have been no provisions for the processing and storage costs generated by this proposed bill.

ASSUMPTION (continued)

For fiscal note purposes, **Oversight** assumes the revenues generated would range from a low using CTS estimates of a 50% felony collection rate and excluding collections made by the fine collection center to a high using CTS estimates of a 60% felony collection rate and including collections made by the fine collection center. The FY 2009 estimates reflect 10 months of collections due to the August 28, 2008 effective date.

Oversight assumes the circuit clerks will utilize any revenues generated by the provisions in the proposed legislation for the costs of record storage, microfilming, preservation, public access of circuit court records, and any other allowable costs.

Section 537.528 Public Hearings

Officials at the **Office of the Attorney General (AGO)** assume that, with respect to the provisions protecting a person's first amendment rights when speaking at a public hearing, AGO will have very few cases in which the AGO is called upon to defend the person exercising those rights. AGO does note that this provision allows for the AGO to recover costs but not attorneys' fees expended in defending such an action. AGO assumes that, if one or more of the proposed changes is challenged in court, AGO could defend any such challenge with existing resources.

Section 537.675 Legal Services for Low-Income People Fund

In response to similar legislation HB 1621 filed this year, officials at the **Office of the State Treasurer, Office of the Attorney General** and the **Department of Labor and Industrial Relations** assume that there is no fiscal impact from this proposal.

Oversight assumes this proposal eliminates the Legal Services for Low-Income People Fund and transfers the entire balance of that fund into the Basic Civil Legal Services Fund. The account balance as of January 31, 2008 in the Legal Services for Low-Income People Fund was \$227,296.77. For this fiscal note we have shown the transfer of that balance as Unknown over \$227,297 in FY 2009.

Oversight assumes the net effect on this proposal is zero as this proposal just transfers money from one fund to another.

Section 565.084

In response to a similar proposal from the current session HB 1460, officials from the **Department of Corrections (DOC)** assumed they cannot currently predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An

ASSUMPTION (continued)

increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost either through incarceration (FY07 average of \$41.21 per inmate per day, or an annual cost of \$15,040 per inmate) or through supervision provided by the Board of Probation and Parole (FY07 average of \$2.43 per offender per day, or an annual cost of \$887 per offender).

At this time, the DOC is unable to determine the number of people who would be convicted under the provisions of this bill and therefore the number of additional inmate beds that may be required as a consequence of passage of this proposal. Estimated construction cost for one new medium to maximum-security inmate bed is \$55,000. Utilizing this per-bed cost provides for a conservative estimate by the DOC, as facility start-up costs are not included and entire facilities and/or housing units would have to be constructed to cover the cost of housing new commitments resulting from the cumulative effect of various new legislation, if adopted as statute.

In summary, supervision by the DOC through probation or incarceration would result in additional unknown costs to the department. Seven (7) persons would have to be incarcerated per fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new crime, it is assumed the impact would be less than \$100,000 per year for the DOC.

In response to a similar proposal filed this year HB 1460, officials from the **Office of Prosecution Services** (OPS) stated any increase in the number of cases referred for criminal prosecution will have an additional fiscal impact on county prosecutors. However, officials from the OPS are not aware of any estimates of the number of additional criminal cases that would be referred to county prosecutors for charges because of this proposed legislation. Additionally, the OPS is not otherwise able to establish a workable estimate of the number of additional criminal cases that would be referred to county prosecutors for charges. It is therefore, not possible to determine if this proposal would have a significant direct fiscal impact on county prosecutors or the OPS.

Section 566.226 Redacted Personal Identity Information

In response to similar legislation HB 1898 filed this year, officials from the **Office of State Courts Administrator** (CTS) assume the proposed legislation would require court personnel to redact any information that could be used to identify or locate a victim of sexual assault, domestic assault, stalking, or any violation of Chapter 566 or Chapter 568, RSMo. After written

ASSUMPTION (continued)

request for information contained in the court record, the court shall order the information redacted.

CTS assumes redacting victim information from Chapter 566 and Chapter 568 cases will be time consuming for court clerks. In FY 2007, approximately 14,726 cases were filed under these Chapters. Additionally, courts may incur costs to set up a unique filing system for these records.

While they are unable to provide a specific dollar amount at this time, CTS assumes the cost would exceed \$100,000 in any given year.

Sections 559.115 and 575.065

Officials at the **Department of Corrections** assume any costs associated with these provisions can be absorbed with existing resources.

Section 621.250 Administrative Hearing Commission

Officials at the **Administrative Hearing Commission** assume this will not significantly alter its caseload.

Section 1

Officials at the **Office of Prosecution Services** assume that this will have a positive fiscal impact to the State by providing an alternative to criminal prosecution for non-support. It is assumed that the number of criminal convictions and persons incarcerated for criminal non-support will be reduced. Since proposed Section 1 provides an alternative to criminal prosecution and since County Prosecutors represent the State in child support enforcement cases, it assumed there will be no change in the number of cases handled by prosecutors and in the time entailed handling those cases. It is assumed this proposed legislation would not have a significant direct fiscal impact on the Office of Prosecution Services.

Section 5 Conveyance of Property

In response to similar legislation SB1010 filed this year, officials from the **COA - Division of Facilities Management, Design and Construction (DFMDC)** state the proposal will require a request for new rent in HB 13 along with utilities and janitorial services. The DFMDC estimates the total increase needed in HB 13 to be \$229,050.

The Department of Mental Health hasn't finalized the square footage numbers, but it looks like it will be approximately 15,000 sq. ft. at \$12.50 per sq. ft., or \$187,500 in annual rent, plus \$1.62 per sq. ft. X 15,000 sq. ft., or \$24,300, for utilities, and \$1.15 per sq. ft. X 15,000 sq. ft., or \$17,250, for janitorial services.

ASSUMPTION (continued)

Currently there is a small amount of institutional operating funds in HB 5 for the Joplin Regional Center, but once they move to leased space, rent will need to be in HB 13.

Cost savings in HB 5 from the Joplin Regional Center could be redirected to other mental health facilities as cost avoidance for the DFMDCC versus asking for new money in the future for increases unforeseen at this time.

Officials from the **Department of Mental Health (DMH)** state using the FY 09 basic expense and equipment lists, the DMH estimates the total one-time cost of this proposal to be \$338,964. The basic layout of the new leased space should be 5 offices and 49 modular workstations. The current space for Joplin is all offices and no modular furniture. The new leased space will have a layout for cubicles, therefore, an estimated cost for the modular furniture is \$243,089. In addition to the modular furniture, there will be a cost for the telecommunications of \$30,300 and moving costs of \$14,850 (\$275 per employee). The remaining expenses will be for chairs and file cabinets (\$50,725).

In addition to the expenses, there will also be a savings of personal service (PS) and fringe benefit costs. There is currently one maintenance and one custodial staff at Joplin that will no longer be needed due to moving into a leased office space. The PS cost savings for these two positions will be \$63,339. The FTE will be redirected as needed within the department.

Oversight assumes the selling price of the property will exceed DMH's cost to relocate and the affect will be an unknown positive amount. **Oversight** also assumes because of the uncertainty of when the transaction between the State and Missouri Southern State University will occur, there is uncertainty as to when the potential savings will occur. As a result, **Oversight** is presenting the conveyance of property to the Missouri Southern State University by the State as \$0 or Unknown Savings for the period of time covered by this fiscal note.

Sections 6, 7 & 8 Switch Communication

In response to similar legislation HB 2240 filed this year, officials from the **Department of Health and Senior Services (DHSS)** states the proposal would require DHSS to promulgate rules regarding the use of "switch communications" by health benefit plans. DHSS currently has no involvement with regulation of health benefit plans and no expertise regarding "switch communications".

If regulation of switch communications by health benefit plans were to be performed by DHSS, the fiscal impact is unknown, but expected to exceed \$100,000.

ASSUMPTION (continued)

Officials from the **Department of Social Services (DSS)** states Section 1 defines "switch communication" as a communication that recommends a patient's medication be switched to a different medication than originally prescribed. It does not require switch communications to be sent by health benefit plans, it just requires DHSS to promulgate regulations governing those switch communications that are made. The definition also contemplates that the "switch communication" is a recommendation, not that the "switch" has been made.

The remainder of section 2, as well as section 3 discusses the requirements for the switch communication.

Medicaid, MO HealthNet Division (MHD) Fee for Service is not included as a health benefit plan or health carrier under chapter 376, but MHD Managed Care plans are included.

The communication and administrative requirements in subsection 2 and 3 would likely result in a cost to the managed care plans, which could in turn, result in a cost to the MHD because the managed care plans may pass the cost along to the state when they re-bid their contracts.

The cost to the MHD would be unknown, but greater than \$100,000.

Oversight notes that states can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from state and the nation as a whole. Missouri's FMAP for FY09 is a 63.19% federal match. The state matching requirement is 36.81%.

Response to bill as a whole

Officials at the **Department of Public Safety's Director's Office, Administrative Hearing Commission, Department of Economic Development, City of Centralia, Department of Insurance, Financial Institutions and Professional Registration, Springfield Police Department, Office of the State Treasurer, Missouri Department of Transportation** and the **Department of Social Services Children's Division** assume that there is no fiscal impact from this proposal.

Officials at the **City of Columbia** assume the City could see a positive impact of about \$12,000 due to time payment provisions from municipal court.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Savings - Department of Revenue</u>			
certified mail changes (1.020)	Unknown over \$100,000	Unknown over \$100,000	Unknown over \$100,000
<u>Revenue - SOS changes in LLC and</u>			
Corporate Filing Fees (28.160 et al)	\$240,606	(\$142,056)	(\$783,400)
<u>Savings - SOS, from Postage and Printing</u>			
(28.160 et al)	\$0	\$15,287	\$15,827
<u>Costs – State Courts Administrator (CTS)</u>			
Personal Service	\$0 or (\$1,192,029)	\$0 or (\$1,473,348)	\$0 or (\$1,517,549)
Fringe Benefits	\$0 or (\$527,115)	\$0 or (\$651,514)	\$0 or (\$671,060)
Equipment and Expense	\$0 or (\$48,345)	\$0	\$0
Increased court cases	\$0 or (More than \$100,000)	\$0 or (More than \$100,000)	\$0 or (More than \$100,000)
Per diem reimbursement to counties	<u>\$0 or (More than \$57,330)</u>	<u>\$0 or (More than \$68,796)</u>	<u>\$0 or (More than \$68,796)</u>
<u>Total Costs – CTS (211.021)</u>	\$0 or (More than \$1,834,819)	\$0 or (More than \$2,293,658)	\$0 or (More than \$2,357,405)
FTE Change – CTS	0 or 33 FTE	0 or 33 FTE	0 or 33 FTE
<u>Revenues – Attorney General</u>			
Reimbursement for cost offender care (217.831)	More than \$100,000	More than \$100,000	More than \$100,000
<u>Transfer Out – Dept of Health & Senior Services (191.225 et al)</u>			
To Department of Public Safety	(\$322,675)	\$0	\$0
<u>Transfer In – Department of Public Safety</u>			
From Department of Health and Senior Services (191.225 et al)	\$322,675	\$0	\$0

GENERAL REVENUE (continued)

Savings – Department of Health and Senior Services (191.225 et al)

Forensic examination costs	\$322,675	\$322,675	\$322,675
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Transfer Out – Dept. of Public Safety

To Sexual Offense Forensic Examination Compensation Fund (191.225 et al)	(\$322,675)	(\$322,675)	(\$322,675)
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Income - Secretary of State

From new conversion fee (351.408)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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Cost - Secretary of State

For contracting computer programming (351.408)	(\$35,000)	\$0	\$0
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Cost - State Courts Administrator

Redacting Records (#455.005)	(Unknown over \$100,000)	(Unknown over \$100,000)	(Unknown over \$100,000)
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Cost - Office of Administration CARO

Increased workers compensation costs (287.067)	(Unknown)	(Unknown)	(Unknown)
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Savings - Overtime (290.505)

\$240,379	\$259,977	\$279,792
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Costs – Office of State Courts Administrator (CTS) (476.083)

Personal Service	\$0 to (\$307,861)	\$0 to (\$380,516)	\$0 to (\$391,932)
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Fringe Benefits	\$0 to (\$136,136)	\$0 to (\$168,264)	\$0 to (\$173,312)
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<u>Total Costs</u> – CTS	\$0 to (\$443,997)	\$0 to (\$548,780)	\$0 to (\$565,244)
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FTE Change – CTS	0 to 7 FTE	0 to 7 FTE	0 to 7 FTE
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Costs – State Courts Administrator (CTS) (478.466)

Personal Service	(\$91,139)	(\$112,647)	(\$116,027)
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Fringe Benefits	(\$70,697)	(\$87,380)	(\$90,002)
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<u>Total Costs</u> – CTS	(\$161,836)	(\$200,027)	(\$206,029)
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GENERAL REVENUE (continued)

Costs- Secretary of State

Clerk record preservation costs (488.012)	(\$9,175 to \$36,680)	(\$10,092 to \$40,348)	(\$9,175 to \$36,680)
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Costs – Department of Corrections

Incarceration/probation costs(565.084)	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
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Costs – State Courts Administrator

Preparing records for disclosure to the public (566.226)	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
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Costs - Secretary of State

Computer modifications (359.681)	(\$40,897)	(\$515)	(\$530)
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Income - Secretary of State

Limited Partnership Fee (359.681)	\$25,000	\$25,000	\$25,000
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Income - Secretary of State

Trademark registration fee (417.011)	\$15,900	\$16,575	\$17,275
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Savings -Sale of Property (Section 5)

\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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Costs - Department of Health and Senior
Services

Regulation of Switch Communications Costs (Sections 6-8)	(Unknown Greater than \$100,000)	(Unknown Greater than \$100,000)	(Unknown Greater than \$100,000)
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Costs - Department of Social Services

Increase in Managed Care Contracts	(Unknown greater than \$36,810)	(Unknown greater than \$36,810)	(Unknown greater than \$36,810)
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GENERAL REVENUE (continued)

Savings - Office of the State Courts

Administrator (478.387 & 478.750)			
Personal Service	\$921,357	\$1,265,330	\$1,303,290
Fringe Benefits#	<u>#\$611,229</u>	<u>#\$559,529</u>	<u>#\$576,315</u>
<u>Total Savings - CTS#</u>	<u>#\$1,532,586</u>	<u>#\$1,824,859</u>	<u>#\$1,879,605</u>
FTE Savings - CTS	(14 FTE)	(14 FTE)	(14 FTE)

Cost - Office of the State Courts

Administrator (478.437 et al)			
Personal Service	(\$737,826)	(\$1,013,282)	(\$1,043,680)
Fringe Benefits#	<u>#\$517,754</u>	<u>#\$448,073</u>	<u>#\$461,516</u>
Expense and Equipment	<u>(\$15,925)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - CTS#</u>	<u>#\$1,255,580</u>	<u>#\$1,461,355</u>	<u>#\$1,505,196</u>
FTE Costs - CTS	14 FTE	14 FTE	14 FTE

ESTIMATED NET EFFECT ON

GENERAL REVENUE#	<u>\$596,083 to</u>	<u>\$532,926 to</u>	<u>\$565,788 to</u>
	<u>(\$2,688,059)</u>	<u>(\$3,257,115)</u>	<u>(\$3,969,414)</u>

Estimated Net FTE Change on General Revenue	0 or 40 FTE	0 or 40 FTE	0 or 40 FTE
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The total does not include unknown costs/revenue.

**SECRETARY OF STATE
 TECHNOLOGY TRUST FUND**

<u>Income</u> - From fees (28.160 et al)	\$196,125	\$166,750	\$0
<u>Cost</u> - one-time programming change (28.160 et al)	(\$137,500)	\$0	\$0
<u>Savings</u> - Secretary of State Fictitious Name postage and mailing supplies costs (417.210)	\$134,549	\$0	\$0
<u>Cost</u> - Secretary of State Fictitious Name additional postage and mailing supplies costs (417.210)	<u>\$0</u>	<u>(\$134,549)</u>	<u>\$0</u>

**ESTIMATED NET EFFECT TO
 SECRETARY OF STATE
 TECHNOLOGY TRUST FUND**

\$193,174 \$32,201 \$0

**DEPUTY SHERIFF SALARY
 SUPPLEMENTATION FUND**

<u>Income</u> - from \$10 per service of any summons, writ, subpoena, or other order of the court (57.278)	\$1,467,658	\$1,761,190	\$1,761,190
Disbursements to local political subdivisions to supplement the salaries of county deputy sheriffs (57.278)	<u>(\$1,467,658)</u>	<u>(\$1,761,190)</u>	<u>(\$1,791,190)</u>

**ESTIMATED NET EFFECT TO THE
 DEPUTY SHERIFF SALARY
 SUPPLEMENTATION FUND**

\$0 \$0 \$0

**CRIME VICTIMS'
 COMPENSATION FUND**

<u>Savings</u> – Department of Public Safety			
Forensic examination costs	Unknown	Unknown	Unknown
(191.225 et al)			

<u>Transfers Out</u> – Dept of Public Safety			
To Sexual Offense Forensic			
Examination Compensation Fund			
(191.225 et al)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

ESTIMATED NET EFFECT ON CRIME VICTIMS' COMPENSATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**SEXUAL OFFENSE FORENSIC
 EXAMINATION COMPENSATION
 FUND**

<u>Transfer In</u> – General Revenue Fund			
(191.225et al)	\$322,675	\$322,675	\$322,675

<u>Transfer In</u> – From Crime Victims'			
Compensation Fund (191.255 et al)	Unknown	Unknown	Unknown

<u>Transfer In</u> – From Federal Funds	\$50,000	\$50,000	\$50,000
(191.225 et al)			

<u>Costs</u> – Department of Public Safety			
Forensic examination costs			
(191.225 et al)	<u>(\$372,675 to Unknown)</u>	<u>(\$372,675 to Unknown)</u>	<u>(\$372,675 to Unknown)</u>

ESTIMATED NET EFFECT ON SEXUAL OFFENSE FORENSIC EXAMINATION COMPENSATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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WORKERS COMPENSATION FUND

<u>Cost - Increased workers compensation claims from police (287.067)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON WORKERS COMPENSATION FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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LEGAL SERVICES FOR LOW INCOME PEOPLE FUND

<u>Transfer Out - Closing fund and transfer of balance to Basic Civil Legal Services Fund (537.675)</u>	<u>(Unknown over \$227,297)</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON LEGAL SERVICES FOR LOW INCOME PEOPLE FUND	<u>(Unknown over \$227,297)</u>	<u>\$0</u>	<u>\$0</u>
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TORT VICTIMS' COMPENSATION FUND

<u>Transfer Out - payments and interest to Basic Civil Legal Services Fund (\$537.68)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON TORT VICTIMS' COMPENSATION	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**BASIC CIVIL LEGAL SERVICES
FUND**

<u>Transfer In</u> - from Legal Services for Low Income People Fund (537.675)	Unknown over \$227,297	\$0	\$0
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<u>Transfer In</u> - interest and payments from Tort Victims' Compensation Fund (\$537.68)	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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**ESTIMATED NET EFFECT ON
BASIC CIVIL LEGAL SERVICES
FUND**

<u>Unknown over</u> <u>\$227,297</u>	<u>Unknown</u>	<u>Unknown</u>
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FEDERAL FUNDS

<u>Transfer in</u> – Dept. of Public Safety			
From Dept. of Health & Senior Svcs. (191.225 et al)	\$50,000	\$0	\$0
 <u>Savings</u> – Dept. of Health & Senior Svcs.			
Forensic examination costs (191.225 et al)	\$50,000	\$50,000	\$50,000
 <u>Transfer Out</u> – Dept. of Health & Senior Services to Dept. of Public Safety (\$191.26)			
	(\$50,000)	\$0	\$0
 <u>Transfer Out</u> – Dept. of Public Safety To Sexual Offense Forensic Examination Compensation Fund (191.225 et al)			
	(\$50,000)	(\$50,000)	(\$50,000)
 <u>Savings</u> - Overtime costs Adjutant General (290.505)			
	\$182,374	\$187,845	\$193,481
 <u>Income</u> - Department of Social Services Federal Assistance (Sections 6-8)			
	Unknown greater than \$63,190	Unknown greater than \$63,190	Unknown greater than \$63,190
 <u>Costs</u> - Department of Social Services Increase in managed care contracts (Sections 6-8)			
	<u>(Unknown greater than \$63,190)</u>	<u>(Unknown greater than \$63,190)</u>	<u>(Unknown greater than \$63,190)</u>
 ESTIMATED NET EFFECT ON FEDERAL FUNDS			
	<u>\$182,374</u>	<u>\$187,845</u>	<u>\$193,481</u>

FISCAL IMPACT - Local Government	FY 2009 (10 Mo.)	FY 2010	FY 2011
COUNTY SHERIFF DEPARTMENTS			
<u>Income</u> - \$10 per summons, writ, subpoena or other order of court (57.278)	\$1,467,658	\$1,761,190	\$1,761,190
<u>Costs</u> - disbursement of new \$10 per summons, writ or subpoena to the state's Deputy Sheriff Salary Supplementation Fund (57.278)	(\$1,467,658)	(\$1,761,190)	(\$1,761,190)
<u>Transfer In</u> - to various county sheriff departments from state's Deputy Sheriff Salary Supplementation Fund (57.278)	<u>\$1,467,658</u>	<u>\$1,761,190</u>	<u>\$1,761,190</u>
ESTIMATED NET EFFECT TO THE COUNTY SHERIFF DEPARTMENTS	<u>\$1,467,658</u>	<u>\$1,761,190</u>	<u>\$1,761,190</u>
POLITICAL SUBDIVISIONS			
<u>Revenues</u> – From State Courts Administrator (211.021)			
Per diem reimbursement	\$0 or More than \$57,330	\$0 or More than \$68,796	\$0 or More than \$68,796
<u>Costs</u> – Counties for circuit courts (211.021)			
Personal Service	\$0 or (\$686,320)	\$0 or (\$848,291)	\$0 or (\$873,740)
Fringe Benefits	\$0 or (\$303,491)	\$0 or (\$375,114)	\$0 or (\$386,368)
Equipment and Expense	<u>\$0 or (\$130,000)</u>	<u>\$0 or (\$26,780)</u>	<u>\$0 or (\$27,583)</u>
<u>Total Costs</u> – Counties for circuit courts	\$0 or (\$1,119,811)	\$0 or (\$1,250,185)	\$0 or (\$1,287,691)
FTE Change – counties	0 or 19 FTE	0 or 19 FTE	0 or 19 FTE
<u>Savings</u> – Jackson County (478.466)			
Personal Service	\$91,139	\$112,647	\$116,027
Fringe Benefits	<u>\$70,697</u>	<u>\$87,380</u>	<u>\$90,002</u>
<u>Total Savings</u> – Jackson County	\$161,836	\$200,027	\$206,029

POLITICAL SUBDIVISIONS

(continued)

Cost- Cities & Counties (287.067)

Increased workers compensation premiums	(Unknown)	(Unknown)	(Unknown)
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Costs - Counties

County expenses for associate circuit judges and court clerks (478.437 et al)	(Unknown)	(Unknown)	(Unknown)
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Savings- Counties

County expenses for circuit judges and court reporters (478.437 et al)	Unknown	Unknown	Unknown
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Revenues – Circuit Clerks

Court costs to circuit clerk’s record preservation fund (Section 488.012)	\$1,582,328 to \$1,976,535	\$2,070,755 to \$2,547,087	\$2,087,176 to \$2,566,793
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Costs – Circuit Clerks

Record storage, microfilming, preservation, etc. (Section 488.012)	<u>(\$1,582,328 to \$1,976,535)</u>	<u>(\$2,070,755 to \$2,547,087)</u>	<u>(\$2,087,176 to \$2,566,793)</u>
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**ESTIMATED NET EFFECT ON
 POLITICAL SUBDIVISIONS**

<u>(Unknown greater than \$900,645)</u>	<u>(Unknown greater than \$981,362)</u>	<u>(Unknown greater than \$1,012,866)</u>
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Estimated Net FTE Change on Political Subdivisions	0 or 19 FTE	0 or 19 FTE	0 or 19 FTE
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FISCAL IMPACT - Small Business

Section 28.160 et al - A small business organizing as a limited liability company and filing online will save \$55 per business. There will be a fee of \$20 for each corporation that opts to change the month its corporate registration report is due; it is assumed that this cost will be more than offset in cost savings/avoidance by completing this requirement at the same time other business and tax filings are completed.

Section 28.160 et al - A corporation electing to file its corporate registration report biennially rather than annually will presumably, over a two year period, expend one half the cost of preparing the report. A typical business will spend approximately 15 minutes each year preparing and filing its registration report; biennial filing would save an estimated 8,000 hours by business filers every year.

Section 217.831 - The Attorney General shall seek to secure reimbursement for the expense of the state for the cost of care of an offender or former offender.

Sections 290.505 - May have an impact on small home and community based service providers as many of their employees work in excess of forty hours in a workweek.

Section 351.408 & 351.409 - This proposal allows for business continuity by allowing a business to convert from one entity type to another entity type.

Section 417.210 - This proposal would have a positive impact because it would give small businesses longer to renew their fictitious name registration.

FISCAL DESCRIPTION

Section 1.020 - This bill defines "certified mail" as it relates to the laws of this state to include any package or letter carried by a delivery service that allows a sender or recipient to electronically track its location.

Section 28.160 et al - Beginning January 1, 2009, this bill allows a corporation to file a corporate registration report on a biennial basis and to change the month of its corporate registration report by designating the desired month and paying an additional \$20 fee. Corporations incorporated in an even-numbered year may only file a report in an even-numbered year, and corporations incorporated in an odd-numbered year may only file a report in odd-numbered years. The fee for filing the biennial report will be \$80 if filed in a written format and \$30 if in an electronic format.

FISCAL DESCRIPTION (continued)

Any corporation filing a biennial report must maintain the registration for two years, but may choose to file an annual registration in subsequent years.

Section 28.160 et al - The Secretary of State is authorized to charge a \$45 fee for a corporate filing of the original articles of organization in an electronic format.

Section 57.278 - This proposal creates the Deputy Sheriff Salary Supplementation Fund to be used only to supplement the salaries of county deputy sheriffs. The fund will consist of money collected from a \$10 increase in the fee charged by sheriffs for the service of any summons, writ, subpoena, or other order of the court in civil cases and will be administered by the Missouri Sheriff Methamphetamine Relief Task Force.

Section 191.225 - Currently, the Department of Health and Senior Services pays medical providers to cover the forensic exam charges for people who may be victims of sexual offenses. Under the proposal, the Department of Public Safety shall pay the medical providers.

Section 211.021 - The proposal expands the jurisdiction of juvenile courts to include individuals who are 17 years of age for the sole purpose of status offenses by revising the definition of "child" and "adult." "Status offense" is defined as any offense described in Section 211.031.1(2), RSMo. The provisions in Section 211.031 shall not take effect until such time as appropriations by the general assembly for additional juvenile officer full-time equivalents and deputy juvenile officer full-time equivalents exceed by \$3.8 million the amount spent by the state for such officers in fiscal year 2007.

Section 287.067 - This proposal expands workers' compensation coverage to include psychological stress directly resulting from the employment for paid police officers of police departments certified under Chapter 590.

Section 290.505 - This act reinstates the Federal overtime standards in place before the passage of Proposition B (2006). Currently, the minimum wage is increased or decreased according to fluctuations in the Consumer Price Index. This act prevents such indexing to exceed the federal rate beginning January 1, 2010.

Section 351.408 & 351.409 - This bill allows Missouri corporations to convert to an other entity by adoption of a resolution by its board of directors approving the conversion and by approval of all shareholders supporting the adoption of the resolution. The bill specifies that "other entity" is a limited liability company, statutory trust, business trust or association, real estate investment trust, common-law trust, or any other unincorporated business including a partnership or a

FISCAL DESCRIPTION (continued)

foreign corporation. The corporation must file with the Office of the Secretary of State a certificate of conversion certifying:

- (1) The name of the corporation;
- (2) The date of the filing of its original articles of incorporation;
- (3) The name and jurisdiction of the entity to which the corporation is being converted
- (4) The approval of the conversion; and
- (5) The corporation's assent to service of process in Missouri and the address at which the company may be served.

Section 351.408 & 351.409 - Any other entity is allowed to convert to a corporation by approval of the conversion in accordance with its internal procedure and policy and by filing with the Office of the Secretary of State articles of incorporation and a certificate of conversion stating:

- (1) The date which the other entity was first created;
- (2) The jurisdiction where the other entity was first created;
- (3) The name of the other entity immediately preceding the conversion;
- (4) The name of the corporation as specified in its articles of incorporation.

Any conversion will not be deemed a dissolution of the prior entity, but rather will constitute a continuation of the existence of the converting business entity.

Section 359.681 - This proposal makes changes to the Uniform Limited Partnership laws.

Sections 417.011, 417.016, 417.018, 417.016, 417.031, 417.046 and 417.049 -This proposal changes the law regarding the registration of a trademark.

Section 417.210 - This bill extends the time period allowed for the Secretary of State to inactivate expired fictitious name reservations for businesses registered in Missouri. Any name registration will expire on the first occurrence of the anniversary of the month and day it was registered after August 28, 2009.

Section 476.083 - The proposed legislation allows a circuit court to appoint an extra circuit court marshal if the average total inmate population in all facilities operated by the Department of Corrections located in the circuit is more than 1,500 during the previous two years. Currently, the court can appoint an extra marshal only when the total average inmate population over the two-year period is more than 2,500.

Sections 478.387 to 478.760 - This removes seven circuit judges and adds seven associate circuit judges in various districts in the state.

FISCAL DESCRIPTION (continued)

Section 478.466 - Currently, Jackson County must reimburse the state for moneys received for the salary and benefits payable to the drug court commissioner in the 16th judicial circuit. The proposal removes the reimbursement requirement.

Sections 479.260 and 488.5032 - Allows courts to charge costs in some criminal and municipal cases where the charges are dismissed.

Sections 488.012 & 488.033 - The proposed legislation authorizes circuit courts to collect a \$4 fee on all cases filed on or after September 1, 2008, for deposit into the circuit clerk's record preservation fund to be used for record storage, microfilming, preservation, and public access of circuit court records. The proposal also specifies that no fee authorized by Sections 488.010 - 488.020, RSMo, can be collected in any proceeding involving a violation of an ordinance or state law when a criminal case has been dismissed by the court or when the costs are waived or paid by the state, county, or municipality.

Section 537.675 - This bill eliminates the Legal Services for Low-Income People Fund and transfers all moneys from the fund to the Basic Civil Legal Services Fund. Twenty-six percent of all future payments deposited into the Tort Victims' Compensation Fund will be transferred into the Basic Civil Legal Services Fund.

Section 565.084 - The proposal modifies provisions relating to juvenile courts and officers and expands the definition related to penalties. The penalty provision for this proposal is for a class C felony.

Section 566.226 -The proposed legislation adds any violation of Chapters 566 and 568, RSMo, to the list of offenses for which redaction of any identifying information of victims from court records prior to disclosure to the public is required. The proposal limits the redaction requirement to only information concerning the victim.

Section 595.045 - The proposal creates the Sexual Offense Forensic Examination Compensation Fund, which will be funded by transfers from the Crime Victims' Compensation Fund, General Revenue Fund, and Federal Funds. The Sexual Offense Forensic Examination Compensation Fund will be used to make payments to appropriate medical providers to cover the charges of the forensic examination of person who may be a victim of a sexual offense.

Section 5 - This proposal authorizes the Governor to convey state property in Jasper County to Missouri Southern State University. The property shall not be conveyed until the Joplin Regional Center has been relocated to different property.

FISCAL DESCRIPTION (continued)

Sections 6,7 & 8 - The proposed legislation requires the Department of Health and Senior Services to establish rules governing switch communications from health benefit plans and specifies that the term "switch communication" is a communication that recommends a patient's medication be switched to a different medication than originally prescribed by the primary health care professional.

The Department's rules must include: (1) Requirements for the review and approval of the switch communication by the Department; (2) Procedures for verifying the accuracy of the switch communication; (3) A requirement that all switch communications contain a statement that the message is a promotional announcement from the participant's health care insurer; and (4) A requirement that if the switch communication contains information regarding potential therapeutic substitution, the communication must explain that medications in the same therapeutic class have different risks and benefits and may work differently on different patients.

All switch communications must clearly disclose any financial interest that the health care insurer, pharmacy benefits manager, prescriber, or their agent has in the patient's decision to switch medications. Any person who issues or delivers or causes to be issued or delivered a switch communication that has not been approved, provides a misrepresentation or false statement in a switch communication, or commits any other material violation of the provisions of the legislation will be subject to a fine of up to \$25,000.

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

Department of Public Safety
Director's Office
Administrative Hearing Commission
Department of Elementary and Secondary Education
Boone County
Springfield Police Department
Department of Economic Development
Office of the State Courts Administrator
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Office of the State Treasurer

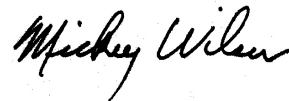
JH:LR:OD (12/07)

SOURCES OF INFORMATION (continued)

Missouri Department of Transportation
Department of Social Services
 Children's Division
 Family Support Division
Department of Labor and Industrial Relations
Pike County
Randolph County
Department of Revenue
Office of the Secretary of State
Office of the Attorney General
Department of Agriculture
Department of Mental Health
Office of Prosecution Services
City of Columbia

Not Responding

Office of Administration
State Public Defenders
Department of Corrections



Mickey Wilson, CPA
Director
May 13, 2008