

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0946-02
Bill No.: Perfected HCS for HB 481
Subject: Liability; Sovereign or Official Immunity
Type: Original
Date: April 1, 2009

Bill Summary: The proposal adds claims within the scope of the Missouri Human Rights Act to which public entities are protected against punitive or exemplary damages.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Highway	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 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration – Administrative Hearing Commission, Department of Labor and Industrial Relations**, and the **Department of Conservation** assume the proposal would have no fiscal impact on their agencies.

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

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

In response to a previous version of the proposal (HCS for HB 481, LR # 0946-02), officials from the **Office of Administration – General Services Division (COA)** assumed Section 537.610(3) of the proposal prohibits punitive or exemplary damages be awarded against any officer or employee of a public entity for conduct of its officers or employees arising out of and performed in connection with his or her official duties. COA believes the definition of public entity would include the state. This proposed legislative change has a potential for savings for state court actions.

COA assumes Section 537.610(5) clarifies the limitation of an award under Chapter 536.610 shall be the limitation in force at the time of the original occurrence. This clarification could result in a cost savings to the state that cannot be determined at this time.

In summary, COA assumes the proposal could result in an unknown savings to the general revenue fund.

Officials from the **Department of Transportation (MoDOT)** assume the proposal revises Section 537.610 RSMo by prohibiting punitive damages against a public entity in claims brought under the Missouri Human Rights Act (MHRA). It also prohibits punitive damages for claims brought under the MHRA against employees for conduct arising from the performance of official duties. Finally, it states that the cap on awards applied to a particular claim is the cap as of the time of the occurrence giving rise to the claim. MoDOT assumes prohibiting punitive damages from being awarded against MoDOT in MHRA claims is a positive fiscal impact for MoDOT.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE FUND			
<u>Savings</u> – Office of Administration Reduced damages	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
HIGHWAY FUND			
<u>Savings</u> – Department of Transportation Reduced punitive damages	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

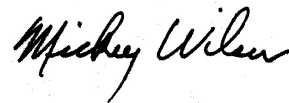
FISCAL DESCRIPTION

The proposed legislation adds within the scope of the Missouri Human Rights Act to which public entities are protected against punitive or exemplary damages and specifies that an officer or employee of a public entity is also protected when the claim is in connection with his or her official duties on behalf of the entity.

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 Labor and Industrial Relations
Department of Conservation



Mickey Wilson, CPA
Director
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