

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0094-05
Bill No.: HCS for SCS for SB 42
Subject: Crimes and Punishment, County Officials
Type: Original
Date: May 1, 2013

Bill Summary: This proposal modifies provisions relating to county criminal justice.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$300,000)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$300,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

FISCAL ANALYSIS

ASSUMPTION

§ 57.010 Qualifications for Election of Sheriff

Oversight assumes this part of the proposal places requirements on candidates for the office of sheriff. This proposal would not have a fiscal impact on state or local funds.

§ 57.104 Sheriff's can hire an Attorney

Oversight assumes this part of the proposal is permissive and would not have a fiscal impact without action of a municipality, therefore, Oversight will not reflect a fiscal impact.

§ 57.280 Sheriff Salary

Oversight assumes this part of the proposal is permissive and would not have a fiscal impact without action of a municipality, therefore, Oversight will not reflect a fiscal impact.

§ 221.070 - Prisoners Liable for Cost of Imprisonment:

Officials at the **Department of Revenue (DOR)** assume if a person has not paid all money owed to the county jail upon release from custody and has failed to enter into, or honor an agreement with the sheriff to make payments toward the debt according to a repayment plan, the sheriff certifies to the clerk of the court the amount of the outstanding debt.

The circuit clerk reports to the **Office of State Courts Administrator (CTS)** the debtor's full name, date of birth, address, and the amount the debtor owes to the county jail. If the person satisfies the debt to the county jail or begins making regular payments in accordance with an agreement with the sheriff, the sheriff notifies the circuit clerk who then notifies CTS that the person shall no longer be considered delinquent.

DOR assumes this section would not fiscally impact their agency.

§ 221.102 Jail Canteen

Oversight assumes this part of the proposal is permissive and would not have a fiscal impact without action of a municipality, therefore, Oversight will not reflect a fiscal impact.

ASSUMPTION (continued)

§ 313.321 - State Lottery Fund Setoff of Prizes:

DOR assumes this section ensures lottery prize payouts are subject to setoff for delinquent child support payments as assessed by a court of competent jurisdiction or pursuant to Section 454.410, RSMo, unpaid health care services provided by hospitals and health care providers under the procedure established in Section 143.790, RSMo, and unpaid debts to a county jail as provided under Section 221.070, RSMo, and pursuant to the procedure established in Section 488.5028, RSMo.

DOR assumes this section would not fiscally impact their agency.

§ 488.5028 - Court Cost Delinquencies Lottery Payout Setoff:

DOR assumes CTS seeks a setoff of any income tax refund and lottery prize payouts made to a person who is delinquent per section 221.070. CTS notifies DOR with information of each debtor whose refund it seeks to set off. DOR also notifies the State Lottery Commission of the same information.

DOR notifies CTS that a refund is set off and the state lottery commission notifies CTS when a lottery prize payout is set off. When the refund owed or lottery price payouts exceed the claimed debt, DOR will send the excess amount to the debtor within a reasonable time of when the amount is determined.

§ 488.5029 - Delinquent Payments:

DOR states after the period provided for a person to appeal has expired the CTS shall notify DOR and Department of Conservation (MDC) of any person reported by a circuit court as being delinquent in the payment of money to a county jail under section 221.070. When the circuit clerk has notified CTS that a person is no longer considered delinquent, CTS then notifies the departments. Notification under this subsection may be on forms or in an electronic format per agreement with CTS and each department.

DOR verifies that a person is not delinquent before being issued a Concealed Carry Weapons Endorsement (CCW) under Chapter 571, RSMo. A concealed carry endorsement shall not be issued or renewed if an applicant is reported as being delinquent until DOR receives notification from CTS that the person is no longer ineligible for a concealed carry endorsement. The

concealed carry endorsement in the name of any person reported as being delinquent under this section will be suspended per section 571.104.

ASSUMPTION (continued)

DOR and MDC shall make necessary rules and regulations for the enforcement of this section, and shall design all necessary forms. Any rule or portion of a rule, as that term is defined in Section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of Chapter 536, RSMo, and, if applicable, Section 536.028, RSMo. This Section and Chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.

§ 571.104 - Suspension or Revocation of Concealed Carry Endorsements:

DOR assume this section proposes a change to apply a suspension or revocation to persons holding a CCW endorsement with an unpaid debt to a county jail under section 221.070, RSMo.

Bill as a Whole:

Officials at the **Department of Revenue (DOR)** assume the following administrative and ITSD costs from this proposal.

Taxation Division

One (1) Tax Collection Technician I (Range 10, Step L) per 15,000 additional contacts annually to the delinquent tax line including CARES equipment and license.

One (1) Tax Collection Technician I (Range 10, Step L) per 15,000 additional contacts annually to the non-delinquent tax line including CARES equipment and license.

One (1) Revenue Processing Technician I (Range 10, Step L) per 4,800 additional contacts annually to the tax assist offices including CARES equipment and license for the Jefferson City Tax Assistance Office.

ITSD

DOR assumes modifications will need to be made to the following systems for the taxation

division:

Missouri Electronic Driver License CI (MEDL-CI) - \$27.05 x 40 hours = \$1,082

ASSUMPTION (continued)

Central Driver Information System (CDIS) - \$27.05 x 16 hours = \$433

Missouri Driver License System (MODL) - \$27.05 x 300 hours = \$8,115

DOR requests additional funding for OA-Information Technologist position related to the portion of the fiscal impact for the changes proposed in section 488.5029, RSMo, it is estimated to be \$9,630.

Drivers License Bureau (DLB)

DOR requests additional FTE funding within the DLB for costs related to this proposal.

Develop Procedures – Management Analysis Spec I 40 hrs @ \$20.00 = \$ 800
Total = \$800

Requirements and procedures development and end user testing by DLB:

Administrative Analyst –	160 hrs @ \$24 00(1 1/2) per hr =	\$3,840
Management Analyst Spec. II –	200 hrs @ \$23.00 per hr =	\$4,600
Revenue Band Manager -	40 hrs @ \$30.00 per hr =	<u>\$1,200</u>
	Total =	\$9,640

ITSD Impact

DOR assumes modifications will need to be made to the following systems within the DLB:

Missouri Driver License System (MODL) - \$27.05 x 180 hours = \$4,869

DOR requests additional funding for OA-Information Technologist position portion of the fiscal impact for the changes proposed in section 571.104, RSMo, and is estimated to be \$4,869

Oversight assumes DOR already has a process in place to submit requests for offset payments from lottery payouts for delinquent income tax owed by a lottery prize winner over \$600.

Oversight assumes any significant increase in the workload of DOR from the provisions of this proposal could be absorbed with existing resources. If this proposal leads to a significant

increase in offset payments, DOR may request additional funding through the normal budget process.

ASSUMPTION (continued)

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year.

Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

In response to a previous version of this proposal, officials at the **Office of State Courts Administrator (CTS)** assumed the proposed legislation allows the setoff of income tax refunds and lottery payouts for unpaid debts to county jails and bars debtors from holding a concealed carry endorsement or license to hunt or fish.

CTS assumes there is a data exchange between CTS and the Department of Revenue (DOR) and assumes DOR will be able to use their interface with the Lottery to assist us in the lottery payout section. However, there is no data exchange with MDC to process the portion of the bill regarding the license to hunt or fish. It is assumed it will be approximately \$300,000 to provide the interface to MDC as well as other unknown charges for the transfer of data over the interface.

CTS assumes any significant increase in the workload of the courts from these provisions will be reflected in future budget requests.

Oversight assumes the CTS database exchange with MDC is one time set up cost of \$300,000 in FY 14 to provide notification to MDC of debtors who are ineligible to buy a license to hunt/fish.

Oversight assumes all other costs related to this proposal would be absorbed by CTS since the existing FTE already provide a data exchange between CTS and DOR. The expected number of additional setoff payments for unpaid debts to county jails is expected to be minimal.

Officials at the **Missouri Lottery Commission (LOT)** assume this legislation may negatively impact player behavior and sales by allowing offset of lottery prize payouts for debts owed to county jails. It will also require IT programming costs and ongoing accounting resources.

LOT assumes this legislation may negatively impact proceeds for education in future years.

LOT assumes additional IT programming will be necessary to the Lottery check writing system to accommodate for the new offset category. Additional staff resources will also be necessary to process the offsets.

ASSUMPTION (continued)

Oversight assumes this proposal adds an additional group of debtors for debts owed to county jails along with debtors who have delinquent child support payments, unpaid health care services, (provided by hospitals and health care providers) and income taxes to Section 313.321, RSMo.

Oversight assumes the number of additional offsets of lottery prize payouts for debts owed to county jails would be minimal and result in no noticeable difference in Lottery ticket sales and result in no need for additional staff resources.

In response to a previous version of this proposal, officials at the **Department of Conservation (MDC)** assumed this proposal would require a change in the hunting and licensing process which would result in more suspensions of privileges being recommended to and approved by the Conservation Commission.

MDC assumes an unknown fiscal impact less than \$100,000 to the Conservation Commission Fund.

Oversight has reflected the cost of the interface between MDC and CTS as a CTS expense.

Oversight assumes the number of hunting and fishing license suspensions resulting from this proposal will be minimal and any other costs resulting from these changes could be absorbed by MDC.

Officials at the **Cole County Sheriff Department** assume this proposal would permit them to recoup monies owed for a jail stay. The proposal would provide additional revenues to the Sheriff Department.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the

office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from numerous Local Sheriff Departments did not respond to **Oversight's** request for fiscal impact.

In response to a previous version of this proposal, officials from the **Missouri State Highway Patrol** and the **State Tax Commission** each assume the proposal would not fiscally impact their respective agencies.

Officials at the **Joint Committee on Administrative Rules** and the **Office of the State Public Defender** each assume there is no fiscal impact to their organization from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Cost - CTS</u>			
§§ 221.070, 313.321, 488.5028, 488.5029, 571.104 - Database Interface with MDC	<u>(\$300,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$300,000)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL FUNDS			

Income - Local Sheriff Departments

§313.321- Income Tax Refunds and Lottery Payouts for Unpaid County Jail Debts \$0 to Unknown \$0 to Unknown \$0 to Unknown

ESTIMATED NET EFFECT ON LOCAL FUNDS **\$0 to Unknown** **\$0 to Unknown** **\$0 to Unknown**
FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

§§ 221.070, 313.321, 488.5028, 488.5029, and 571.104 - Setoff of income tax refunds and lottery payouts for unpaid debts to county jails and those debtors are barred from holding a concealed carry endorsement or license to hunt or fish:

Under current law, prisoners in a county jail must pay the costs of their board. This proposal requires the circuit clerk in each county to report to CTS the names of people certified by the sheriff as being delinquent in the payment of money owed for a period of imprisonment in a county jail. Whenever a person has satisfied his or her debt or begun making regular payments to the sheriff, the sheriff must notify the clerk that the person is no longer considered delinquent.

When CTS receives the name of a debtor, it is required to seek a setoff of state tax refunds and state lottery winnings until the full debt has been paid.

This proposal makes individuals with delinquent county jail debts ineligible for a concealed carry endorsement and a hunting or fishing license. Those who currently have a concealed carry endorsement must surrender the driver's or nondriver's license with the endorsement to the court that reported the debt. MDC must suspend the hunting or fishing license of anyone reported delinquent to the department by CTS.

In addition, this proposal requires CTS to notify debtors that the person will be ineligible for a concealed carry endorsement and a hunting or fishing license prior to forwarding a person's name to DOR or MDC. The notice must contain information regarding the right of review of the debt in the court in which the debt arose.

Eligibility for a new or renewed concealed carry endorsement or license to hunt or fish is reestablished when the county sheriff notifies the circuit clerk who notifies CTS, who notifies DOR and MDC that the person has repaid the debt or honored a repayment plan with the sheriff. The court holding a surrendered concealed carry endorsement must return the endorsement upon

notification by the sheriff to the circuit clerk that the debt is no longer considered delinquent.

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 State Courts Administrator
Department of Revenue
Missouri Lottery Commission
Department of Conservation
Office of Secretary of State
Joint Committee on Administrative Rules
Department of Public Safety
Missouri Tax Commission
Cole County Sheriff Department
Office of the State Public Defender

NOT RESPONDING

Several Local Sheriff Departments



Ross Strobe
Acting Director
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