

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0094-06
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SCS for SB 42
Subject: Crimes and Punishment, County Officials
Type: Original
Date: June 7, 2013

Bill Summary: This proposal modifies provisions relating to county sheriffs, allows setoff of income tax refunds and lottery payouts for unpaid debts to county jails, and bars such debtors from holding licenses to hunt or fish.

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
MODEX	Less than \$426,402	Less than \$511,683	Less than \$511,683
Total Estimated Net Effect on Other State Funds	Less than \$426,402	Less than \$511,683	Less than \$511,683

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 10 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	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

§ 57.010 - Eligibility for Office of Sheriff:

Oversight assumes this provision places requirements on candidates for the office of sheriff to have a valid peace officer license at the time of filing, except for St. Louis City. This provision would not have a fiscal impact on state or local funds.

§ 57.104 - Sheriff's Employing Attorneys:

Oversight notes this provision allows sheriffs in any county, except charter counties, to employ an attorney.

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

§ 221.102 - Jail Canteen:

Oversight notes this provision allows a county sheriff to establish a canteen or commissary in a county jail. A county jail may keep a minimum amount of funds from the cost of goods sold to meet cash flow needs and canteen operating expenses. The remaining funds are to be deposited into the "Inmate Prisoner Detainee Security Fund" which is a county fund.

Oversight assumes some county jails would choose to establish a canteen while other county jails will choose not to establish a canteen. Since it is unknown how many county jails will establish a canteen, Oversight will assume an unknown revenue increase.

§§ 221.070, 313.321, 488.5028, and 488.5029 - Repayment of County Jail Debt:

Oversight notes this provision 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.

Officials from the **Office of State Courts Administrator (CTS)** state the provisions of these sections allow a 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.

ASSUMPTION (continued)

CTS assumes there is no data exchange with the Department of Conservation (MDC) to process the portion on the license to hunt or fish. It is assumed it will cost approximately \$300,000 to provide the interface to the Department of Conservation as well as other unknown charges for the transfer of data over the interface. Any significant increase in the workload of the courts for 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.

Officials from the **Department of Revenue (DOR)** assume the following administrative costs to implement the provisions of this proposal.

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.

DOR assumes the additional FTE cost including salaries, fringe benefits, and equipment would total \$167,556 in FY 14, \$123,240 in FY 15, and \$124,546 in FY 16.

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 DOR could absorb any additional costs related to the provisions of this proposal with existing resources. If this proposal leads to a significant increase in offset payments, DOR may request additional funding through the normal budget process.

Officials at the **Missouri Lottery Commission (LOT)** assume this proposal 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 proposal may negatively impact proceeds for education in future years.

ASSUMPTION (continued)

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.

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 assumed an unknown negative fiscal impact on MDC likely less than \$100,000 from these sections.

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.

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.

§ 488.5320 - Modex Fund:

Officials from the **Office of the State Courts Administrator (CTS)** state the proposed legislation allows sheriffs, county marshals and other officers to charge six dollars for their services in cases disposed of by a traffic violations bureau and creates the MODEX fund.

Based on FY 2012 data, there were approximately 170,561 traffic cases on which the \$6.00 surcharge could be applied. CTS anticipates the MODEX revenue from the surcharge would be approximately \$511,683 (170,561 x \$6 / 2) in any given year, with an equal amount going to the counties' inmate security funds.

With an August 28, 2013, effective date, **Oversight** will reflect 10 months of activity in FY 2014.

ASSUMPTION (continued)

This provision excludes St. Louis County and St. Louis City from charging the fee; therefore, **Oversight** will change the fiscal impact as reflected in the original bill to include “Less than” the amount provided by CTS.

Bill as a Whole:

In response to the previous version of this proposal, officials at the **Cole County Sheriff Department** assumed this proposal would permit them to recoup monies owed for a jail stay. The proposal would provide additional revenues to the Sheriff Department.

In response to the previous version of this proposal, officials from the **Office of the Secretary of State (SOS)** stated 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.

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 at the **Joint Committee on Administrative Rules, State Treasurer’s Office, Parkway School District, Missouri State Highway Patrol, and the Office of the State Public Defender** each assume there is no fiscal impact to their organization from this proposal.

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

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

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Cost - CTS</u>			
§ 313.321- Database Interface with MDC	<u>(\$300,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$300,000)</u>	<u>\$0</u>	<u>\$0</u>
 MODEX FUND			
<u>Income - DPS</u>			
§ 488.5320 - one-half of \$6 surcharge for infractions processed through the traffic violations bureau	Less than <u>\$426,402</u>	Less than <u>\$511,683</u>	Less than <u>\$511,683</u>
ESTIMATED NET EFFECT TO THE MODEX FUND	Less than <u>\$426,402</u>	Less than <u>\$511,683</u>	Less than <u>\$511,683</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL FUNDS			
<u>Income</u> - Local Sheriff Departments § 221.102 - Jail Canteens	Unknown	Unknown	Unknown
<u>Income</u> - 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
<u>Income</u> - Counties § 488.5320 - one-half of \$6 surcharge for infractions processed through the traffic violations bureau (except for St. Louis County and City)	Less than <u>\$426,402</u>	Less than <u>\$511,683</u>	Less than <u>\$511,683</u>
ESTIMATED NET EFFECT ON LOCAL FUNDS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

§§ 221.070, 313.321, 488.5028, and 488.5029 - Repayment of County Jail Debt:

Under current law, prisoners in a county jail must pay the costs of their board. This act requires the circuit clerk in each county to report to the Office of State Courts Administrator 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.

FISCAL DESCRIPTION (continued)

MDC must suspend and refuse to issue a hunting or fishing license for 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 hunting or fishing license prior to forwarding a person's name to 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 license to hunt or fish is reestablished when the county sheriff notifies the circuit clerk who notifies CTS who notifies MDC that the person has repaid the debt or honored a repayment plan with the sheriff.

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

§ 221.102 - Jail Canteen:

Allows a county sheriff to establish a canteen or commissary in the county jail. Funds from sales at the canteen or commissary are to be deposited in the county "Inmate Prisoner Detainee Security Fund".

§ 488.5320 - Modex Fund:

Currently, law enforcement officers are allowed to charge for their services rendered in criminal cases and in all contempt or attachment proceedings except for cases disposed of by a traffic violation bureau. The bill removes the exception and allows them to also charge \$6 for their services in a case in a violation bureau. The charges from cases disposed of by a traffic violation bureau must be distributed so that one-half of the charges collected are deposited into the newly-created MODEX Fund for the operational support and expansion of the Missouri Data Exchange.

One-half of the charges collected are deposited into the inmate security fund of the county or municipal political subdivision where the citation originated. The fund is to be administered by the Peace Officers Standards and Training Commission. If the county or municipal political subdivision has not established an inmate security fund, all of the funds must be deposited in the MODEX Fund. Sheriffs, county marshals, or other officers located in St. Louis County or St. Louis City cannot charge for their services rendered in cases disposed of by a traffic violation bureau.

SOURCES OF INFORMATION

Office of State Courts Administrator
Department of Revenue
Missouri Lottery Commission
Department of Conservation
Missouri State Highway Patrol
State Treasurer's Office
State Public Defender's Office
Missouri Tax Commission
Office of Secretary of State
Joint Committee on Administrative Rules
Parkway School District
Cole County Sheriff

NOT RESPONDING

Numerous Local Sheriff Departments



Ross Strope
Acting Director
June 7, 2013