

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1182-03
Bill No.: HCS for SS for SB 245
Subject: Civil Procedures; Courts
Type: Original
Date: May 3, 2013

Bill Summary: This proposal changes provisions regarding court costs and expenses in civil cases.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$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 5 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	\$1,361,211	\$1,633,454	\$1,633,454

FISCAL ANALYSIS

ASSUMPTION

§§ 57.955 & 488.024 - surcharge for Sheriffs' Retirement Fund;

Officials from the **Joint Committee on Public Retirement** state that this legislation indicates a modification of the funding mechanism for the Sheriffs' Retirement System. This proposal will result in a decrease from \$3 to \$2 on the current \$3 surcharge on civil and criminal cases and extends the surcharge to municipal cases. Based on information provided by the State Courts Administrator, the estimated revenue associated with this modification of the surcharge will be approximately \$3,225,099 resulting in a net increase from the current surcharge structure of approximately \$1,633,454.

In response to a similar proposal from this year, HB 424, officials from the **Sheriffs' Retirement System** assumed that this legislation will provide total revenue of about \$3,468,926 each year. This is due to 1,134,463 more municipal court case fees, at \$2 per case, being collected.

Oversight assumes that the Sheriffs' Retirement System did not take into account the reduction in fee revenue from the decrease in fee.

Officials from the **Office of the State Courts Administrator** assume proposed legislation modifies sources to be credited to the Sheriffs' Retirement Fund. The proposal decreases the surcharge from \$3 to \$2, however, the proposal has included municipal ordinance violations in the surcharge. Based on FY 2012 data, there are approximately 367,812 filed civil cases, with an anticipated collection percentage of ninety; 41,956 disposed circuit felony cases, with an anticipated collection percentage of thirteen; 56,158 disposed associate felony cases, with an anticipated collection percentage of forty; 112,510 disposed misdemeanors, with an anticipated collection percentage of forty; 140,081 disposed traffic cases with an anticipated collection percentage of forty; 20,511 disposed ordinance cases, with an anticipated collection percentage of eighty; 2,116 disposed municipal certification, with an anticipated collection percentage of eighty; and 1,418,079 disposed municipal division cases with an anticipated collection percentage of eighty. The 2012 disbursement to the Sheriffs' Retirement was \$1,591,645, the anticipated surcharge would be \$3,225,099 resulting in a net increase of \$1,633,454.

ASSUMPTION (continued)

§514.040 - exemption for paying court costs;

In response to a previous version of this proposal, officials from the **Office of the State Courts Administrator, Department of Higher Education, and the University of Missouri** each assumed the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue - Sheriffs' Retirement Fund</u>			
Modification in surcharge structure	<u>\$1,361,211</u>	<u>\$1,633,454</u>	<u>\$1,633,454</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>\$1,361,211</u>	<u>\$1,633,454</u>	<u>\$1,633,454</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION


Currently, a surcharge of \$3, payable to the credit of the Sheriffs' Retirement Fund, is assessed in all civil actions and criminal cases, including violations of county ordinances, criminal laws, or traffic laws and infractions of the state, with certain exceptions. This proposal decreases the surcharge to \$2 and includes the surcharge on violations of municipal ordinances.

FISCAL DESCRIPTION (continued)

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 State Courts Administrator
Department of Higher Education
University of Missouri
Joint Committee on Public Retirement
Sheriffs' Retirement System



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