

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1886-01
Bill No.: SB 405
Subject: Funerals and Funeral Directors; Public Assistance; Estates, Wills and Trusts
Type: Original
Date: March 15, 2013

Bill Summary: This proposal excludes money placed in an irrevocable personal funeral trust from being considered as an asset when determining eligibility for public assistance.

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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state this proposal allows for persons to place any amount, up to \$9,999, in an irrevocable trust designated to pay for, at the time of need, funeral or burial services or facilities, or funeral merchandise and it will not be considered an asset when determining eligibility for federally aided programs.

The Family Support Division has determined that this will not increase eligibles. Currently they can have a burial plan or a designated savings account if they have no other type of life insurance. This legislation will just give them a third option. Therefore, there will not be a fiscal impact to MHD.

Officials from the **DSS - Family Support Division (FSD)** state current policy allows an exemption for the first \$1,500 of cash surrender value of a designated burial fund. In addition, current policy allows a person to put more than \$1,500 in an irrevocable trust fund and designate the trust as a burial account. These funds are then disregarded as an asset in determining eligibility and benefits.

Under this proposed legislation, the FSD would disregard up to \$9,999 of the burial account, which is already allowed.

Therefore, there is no fiscal impact to the FSD.

Officials from the **DSS - Division of Legal Services (DSL)** state since trust-funded preneed contracts function similarly to an irrevocable funeral trust, DLS anticipates that there would be little to no fiscal impact on the Family Support Division for on DLS. Review of the irrevocable funeral trusts may require additional staff time, but would not likely require additional staff. In addition, individuals whose irrevocable funeral trust is not approved may request a fair hearing before a DLS hearing officer. However, it is not expected that the number of hearing requests would require additional hearing officers.

Officials from the **Office of State Courts Administrator**, the **Department of Insurance, Financial Institutions, and Professional Registration** and the **Office of State Treasurer** each assume 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
	<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 appears to have no direct fiscal impact.

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 Insurance, Financial Institutions,
and Professional Registration
Department of Social Services -
Division of Legal Services
Family Support Division
MO HealthNet Division
Office of State Treasurer



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March 15, 2013

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