

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4551-01  
Bill No.: SB 790  
Subject: Banks and Financial Institutions; Crimes and Punishment  
Type: Original  
Date: January 29, 2016

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Bill Summary: This proposal makes it a class B felony to physically take property from a person when the property is owned by a financial institution.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2024)
General Revenue	\$0	(Less than \$100,000)	(Less than \$100,000)	(More than \$100,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>	<b>(More than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2024)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Fully Implemented (FY 2024)</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>				
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Fully Implemented (FY 2024)</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Fully Implemented (FY 2024)</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Corrections (DOC)** state this bill proposes to repeal and replace sections 570.010 and 570.030 RSMo, to include provisions relating to the physical taking or attempted physical taking of property owned or in the custody of a financial institution. Modified language defines "financial institution" in section 570.010. Section 570.030 includes addition of a class B felony for cases where "property appropriated or attempted to be appropriated is owned by or in the custody of a financial institution and the property is taken or attempted to be taken physically from an individual person to deprive the owner or custodian of the property." The addition of financial institutions to this section only addresses the particular owner/custodian of the property with no further specification of the offense or value limit beyond what is already addressed in the statute.

The FY15 average cost of supervision is \$6.04 per offender per day or an annual cost of \$2,205 per offender. The DOC cost of incarceration is \$16.809 per day or an annual cost of \$6,135 per offender.

Using updated FY15 data, estimated impacts based on comparable offenses are below, but the summarized impact on DOC is a total estimated increase of 7.5 incarcerations by FY19 and 42 offenders on field supervision by FY24.

Fiscal Years	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Admissions	0	2.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Parole	0	0	0	5	10	15	20	25	25	25
Probation	0	0	0	0	8.5	17	17	17	17	17
IMPACT	X	X	X	X	X	X	X	X	X	X
Prison Population	0	2.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Field Population	0	0	0	5	18.5	32	37	42	42	42

In cases already classified as a class B felony because of monetary limit, subsequent offenses or certain conditions, there would be no change if this bill is enacted as those cases will already fall under class B felony provisions. However, since changes to this bill cover property in general with no monetary limit, we can assume that some percentage of current class C felonies would become newly charged as class B felonies solely on the basis that the property was in ownership/custody of a financial institution.

There is no way to determine how many current admissions for stealing offenses involved property in ownership/custody of a financial institution. In FY15, data indicates 464 new term admissions and 1,724 new probations for class C felony stealing offenses under section 570.030.

ASSUMPTION (continued)

A minimum estimate for those that would be diverted to class B felonies is perhaps 1% since this bill represents specific criteria. This would result in 5 court commitments and 17 probations receiving increased sentences when charged with a class B felony instead of class C. An increase in the population will occur after the offenders serve the time they would have served for the original class C stealing offense.

The additional time after time that would have been served anyway delays the increase in incarcerations to a partial increase in FY18, and full increase by FY19. Due to the longer sentence, offenders would not be on parole as early and would also have longer parole time. This increase will begin to occur in year 4 after the estimated 5 incarcerations have served the average 37 months. Probation will begin to increase in year 5 since the original class C average probation term was already 4.5 years.

In summary, the Department of Corrections assumes an increase in cost to their agency from this proposal of

FY 2017	\$0	
FY 2018	\$15,644	(2.5 persons in prison)
FY 2019	\$47,871	(7.5 persons in prison)
FY 2020	\$60,529	(7.5 person in prison and 5 persons on parole/probation)
FY 2021	\$93,961	(7.5 persons in prison and 18.5 person on parole/probation)
FY 2022	\$128,705	(7.5 persons in prison and 32 persons on parole/probation)
FY 2023	\$143,696	(7.5 persons in prison and 37 persons on parole/probation)
FY 2024	\$159,234	(7.5 persons in prison and 42 persons on parole/probation)

Officials from the **Office of Prosecution Services (OPS)** assume the proposal would not have a measurable fiscal impact on their agency. The creation of a new crime creates additional responsibilities for county prosecutors which may, in turn, result in additional costs which are difficult to determine.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are faced with the enhanced penalties for appropriating or attempting to appropriate property that is owned by or in the custody of a financial institution and the property is taken or attempted to be taken physically from an individual person to deprive the owner or custodian of the property would be a new class B felony.

ASSUMPTION (continued)

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

**Oversight** assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Department of Public Safety - Missouri Highway Patrol, Department of Insurance, Financial Institutions and Professional Registration,** and the **Office of the State Courts Administrator** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2024)
<b>GENERAL REVENUE</b>				
<u>Costs - DOC - incarceration and supervision</u>	<u>\$0</u>	(Less than <u>\$100,000</u> )	(Less than <u>\$100,000</u> )	(More than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b>(Less than <u>\$100,000</u>)</b>	<b>(Less than <u>\$100,000</u>)</b>	<b>(More than <u>\$100,000</u>)</b>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2024)
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

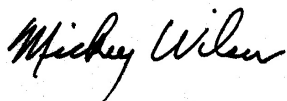
Under this act, it is a Class B felony to physically take or attempt to take property from a person when the property is owned by or in the custody of a financial institution. Physically taking property from a person is currently a Class D felony, unless the property is \$25,000 or more in which case it is a Class C felony.

Financial institution is defined as a bank, trust company, savings and loan association, or credit union.

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

Department of Public Safety  
Office of Prosecution Services  
Office of the State Courts Administrator  
Office of the State Public Defender  
Department of Corrections  
Department of Insurance, Financial Institutions and Professional Registration



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January 29, 2016

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