

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0212-13
Bill No.: Perfected SS #2 for SB 7
Subject: Civil Procedure; Courts; Attorneys; Insurance- General
Type: Original
Date: February 27, 2019

Bill Summary: This proposal modifies provisions of civil procedure regarding joinder and venue.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Tort Victims Compensation Fund (0622)	Unknown Greater than \$100,000 to (Unknown - Greater than \$100,000)	Unknown Greater than \$100,000 to (Unknown - Greater than \$100,000)	Unknown Greater than \$100,000 to (Unknown - Greater than \$100,000)
Total Estimated Net Effect on Other State Funds	Unknown Greater than \$100,000 to (Unknown - Greater than \$100,000)	Unknown Greater than \$100,000 to (Unknown - Greater than \$100,000)	Unknown Greater than \$100,000 to (Unknown - Greater than \$100,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints of less than 12 hours, **Oversight** was unable to receive some of the agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials at the **Department of Labor and Industrial Relations**, the **Office of the State Courts Administrator**, the **Office of the Attorney General**, the **Department of Revenue**, the **Department of Insurance, Financial Institutions and Professional Registration** and the **Office of Prosecution Services** each assume no fiscal impact to their respective agencies from this proposal.

In response to a previous version, officials at the **Office of the State Public Defender** assumed no fiscal impact from this proposal.

Oversight notes that the Department of Labor and Industrial Relations, the Office of the State Courts Administrator, the Office of the Attorney General, the Department of Revenue, the Department of Insurance, Financial Institutions and Professional Registration, the Office of the State Public Defender and the Office of Prosecution Services have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Oversight notes that because the bill “expressly adopts the holding of *State ex rel. Johnson & Johnson v. Burlison*, SC96704”, if that ruling conflicts with the bill, it is unclear whether or the bill would control, and therefore, how the bill should be interpreted.

Oversight notes according to Section 537.675, “any party receiving a judgment final for purposes of appeal for punitive damages in any case filed in any division of any circuit court of the state of Missouri shall notify the attorney general of the state of Missouri of such award, except for actions claiming improper health care pursuant to chapter 538. The state of Missouri shall have a lien for deposit into the tort victims' compensation fund to the extent of fifty percent of the punitive damage final judgment which shall attach in any such case after deducting attorney's fees and expenses.”

ASSUMPTION (continued)

Oversight notes the Tort Victims' Compensation Fund has had court awards of the following amounts over the last ten years:

Fiscal Year	Total Awards
2008	\$36,558.98
2009	\$3,253,480.92
2010	\$3,316,710.05
2011	\$538,742.81
2012	\$144,224.19
2013	\$535,548.19
2014	\$61,172.30
2015	\$439,779.46
2016	\$23,349.62
2017	\$488,831.72
2018	\$8,648,291.13

Due to the uncertainty of the impact of this bill (including the recent Missouri Supreme Court ruling), **Oversight** will reflect a negative unknown to a positive unknown that is greater than \$100,000 on either side for this proposal to the Tort Victims Compensation Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
TORT VICTIMS COMPENSATION FUND			
<u>Savings</u> - in the potential amount of punitive damages awarded	Unknown, greater than \$100,000	Unknown, greater than \$100,000	Unknown, greater than \$100,000
<u>Loss</u> - in the potential amount of punitive damages awarded	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)
ESTIMATED NET EFFECT ON THE TORT VICTIMS COMPENSATION FUND	Unknown greater than \$100,000 to (Unknown greater than \$100,000)	Unknown greater than \$100,000 to (Unknown greater than \$100,000)	Unknown greater than \$100,000 to (Unknown greater than \$100,000)

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<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

This act modifies provisions of civil procedure regarding joinder and venue.

This act modifies provisions relating to civil procedure.

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 Labor and Industrial Relations
Office of the State Courts Administrator
Office of the Attorney General
Department of Revenue
Department of Insurance, Financial Institutions and Professional Registration
Office of the State Public Defender
Office of Prosecution Services



Kyle Rieman
Director
February 27, 2019

Ross Strobe
Assistant Director
February 27, 2019