

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0414S.01I
 Bill No.: SB 313
 Subject: Civil Procedure; Courts; Evidence; Liability
 Type: Original
 Date: January 26, 2025

Bill Summary: This proposal modifies provisions relating to court procedure, including the admissibility of expert testimony evidence and supreme court rule 52.08 relating to class actions.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|-------------------------|-------------------------|-------------------------|
| FUND AFFECTED | FY 2026 | FY 2027 | FY 2028 |
| General Revenue | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| Total Estimated Net Effect on General Revenue | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |

* Oversight assumes unknown costs will be less than \$250,000 annually.

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2026 | FY 2027 | FY 2028 |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2026 | FY 2027 | FY 2028 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2026 | FY 2027 | FY 2028 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2026 | FY 2027 | FY 2028 |
| | | | |
| | | | |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

§490.065 – Court procedure, including admissibility of expert testimony evidence and supreme court rule 52.08 relating to class actions

Officials from the **Office of State Courts Administrator (OSCA)** state there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Upon further inquiry for similar legislation from the current session (SB 47), **OSCA** stated since the proposal affects actions of the courts in unanticipated ways, and there is not enough information to forecast if a potential cost could be absorbed, the fiscal impact is unknown.

Oversight notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 to (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

Oversight assumes the proposal would not have a material fiscal impact on the state or local governments.

| <u>FISCAL IMPACT – State Government</u> | FY 2026 (10 Mo.) | FY 2027 | FY 2028 |
|---|------------------------------------|------------------------------------|------------------------------------|
| GENERAL REVENUE FUND | | | |
| <u>Costs – OSCA (§490.065) – potential increase in costs related to changes to supreme court rule 52.08 and class actions</u> | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND | <u>\$0 to (Unknown)</u> | <u>\$0 to (Unknown)</u> | <u>\$0 to (Unknown)</u> |

| <u>FISCAL IMPACT – Local Government</u> | FY 2026 (10 Mo.) | FY 2027 | FY 2028 |
|---|---------------------|------------|------------|
| | | | |
| | <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 a provision of law relating to the use of expert testimony in certain legal actions and amends the civil procedure rule on class actions.

This act amends Supreme Court Rule 52.08 relating to class actions.

This act makes changes to mirror the Federal Rules of Civil Procedure. Further, the act provides that an order certifying a class action shall define the class and the class claims, issues, or defenses and shall appoint class counsel. An order that grants or denies class certification may be altered or amended before final judgment. Additionally, the order shall contain specific findings and conclusions to support the decision.

Currently, the rule provides that a class action shall not be dismissed or compromised without the approval of the court and notice of the proposed dismissal or compromise shall be given to all members of the class in such manner as the court directs. This act repeals this provision and provides that the claims, issues, or defenses of a certified class, or a proposed class, may be settled, voluntarily dismissed, or compromised only with the court's approval.

Currently, an appellate court may permit an appeal from an order of a circuit court granting or denying class action certification if the petition is timely filed. This act requires an appellate court to permit an appeal from an order of a circuit court granting or denying certain class action certification.

This act provides that the party seeking class certification has the burden of proving every requirement of this rule by a preponderance of the evidence. The court shall not err in favor of certification, but shall be satisfied, based on a rigorous analysis, that the requirements of this rule have been met. This rule shall not be satisfied in whole or in part based on allegations in the petition. (§490.065)

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

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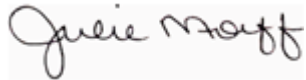
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SOURCES OF INFORMATION

Office of the State Courts Administrator
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