

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1395S.01I
 Bill No.: SB 268
 Subject: Civil Procedure; Evidence; Insurance - General; Liability
 Type: Original
 Date: March 3, 2025

Bill Summary: This proposal modifies provisions relating to civil procedure, including the collateral source rule, time-limited settlement demands, references to damages, and disclosure requirements.

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 the unknown cost will not meet the \$250,000 threshold for this proposal.

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

§§490.715, 537.058, 537.092 & 537.870 – Civil Procedures Involving Collateral Source Rule, Time-Limited Settlement Demands, References to Damages & Disclosure Requirements

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.

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 **Attorney General's Office (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.

Officials from the **Department of Commerce and Insurance, the Department of Labor and Industrial Relations, the Office of Administration & the Missouri Office of Prosecution Services** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Cost – potential increase in caseload §§490.715, 537.058, 537.092 & 537.870</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<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

Small businesses who are a party to a lawsuit could be impacted by this proposal with \$490.715.

FISCAL DESCRIPTION

This act modifies provisions of law relating to civil procedure.

COLLATERAL SOURCE (§490.715)

This act modifies the rule for determining the admissibility of evidence of collateral source payments in civil cases. Currently, parties may introduce evidence of the actual cost of the medical care or treatment rendered to a plaintiff or a patient whose care is at issue. Additionally, this act modifies this provision by providing that in any action where a plaintiff seeks to recover for personal injury, bodily injury, or death, any party may introduce evidence of the actual cost of the medical care or treatment rendered to a plaintiff or to the person whose injury or death the recovery is sought.

No party shall introduce evidence of the amount billed for medical care or treatment rendered to a plaintiff or a patient at issue in the case if the amount billed has been discounted pursuant to any contract, price reduction, write-off, or payment less than the amount billed for the medical care or treatment. The actual cost of medical care or treatment rendered to a plaintiff or a patient and any discounts pursuant to a contract, price reduction or write-off shall be admissible as relevant to the potential cost of future treatment.

TIME LIMITED SETTLEMENT DEMANDS (§537.058)

Currently, offers to settle any claim for personal injury, bodily injury, or wrongful death on behalf of a claimant that are required to be accepted within a specified period of time by a tort-feasor with a liability insurer are required to contain the time period within which the offer remains open for acceptance, which shall not be less than ninety days from the date such demand is received by the liability insurer.

This act modifies the provision by providing that in any action alleging extracontractual damages against the tort-feasor's liability insurer, any prior offers to settle any claim for personal injury, bodily injury, or wrongful death on behalf of a claimant to a tort-feasor with a liability insurance policy shall not be considered a reasonable opportunity to settle the claim unless the settlement demand remains open for acceptance for at least ninety days from the date such settlement demand was received by the liability insurer, and if the offer remains open for more than ninety days, the offer shall contain the time period within which acceptance may be given.

REFERENCES OF DAMAGES TO JURIES (§537.092)

This act provides that neither party nor the attorneys of the parties in any civil action in which the trier of fact is a jury shall seek or make reference to a specific dollar amount or state a range for the jury to consider with respect to awards for noneconomic damages.

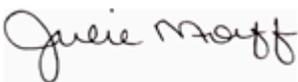
DISCLOSURE REQUIREMENTS IN CIVIL ACTIONS FOR LATENT INJURIES (§537.870)

This act provides that within 30 days of filing a civil action involving a latent injury or disease or a claim for medical monitoring, the claimant shall file a sworn information form specifying the evidence that provides the basis for each claim against each defendant and shall include certain disclosures detailed in the act. The claimant shall supplement the information when the claimant receives information required to be disclosed or when the claimant becomes aware that a prior disclosure was inaccurate or incomplete. Discovery shall not commence against a defendant until the defendant's product, substance, or premises is specifically identified in the disclosures. The court, on motion by a defendant, shall dismiss the action without prejudice for any defendant that was not specifically identified in the disclosures or when a claimant fails to comply with the requirements of this provision.

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
Attorney General's Office
Department of Commerce and Insurance
Department of Labor and Industrial Relations
Office of Administration
Missouri Office of Prosecution Services



Julie Morff
Director
March 3, 2025



Jessica Harris
Assistant Director
March 3, 2025