

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2151S.02I  
Bill No.: SB 717  
Subject: Civil Rights; Fees  
Type: Original  
Date: March 31, 2025

---

Bill Summary: This proposal removes availability of attorney fees under the Missouri Human Rights Act when a public employer is involved.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue Fund*	Could exceed \$4,377,725	Could exceed \$4,522,968	Could exceed \$4,536,827
<b>Total Estimated Net Effect on General Revenue</b>	<b>Could exceed \$4,377,725</b>	<b>Could exceed \$4,522,968</b>	<b>Could exceed \$4,536,827</b>

\*Cost avoidance from no longer paying attorney fees and potential reduction of FTE for the AGO.

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

\*Transfers and savings net to zero.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
General Revenue	Up to (7) FTE	Up to (7) FTE	Up to (7) FTE
<b>Total Estimated Net Effect on FTE</b>	<b>Up to (7) FTE</b>	<b>Up to (7) FTE</b>	<b>Up to (7) FTE</b>

- ☐ 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Office of Administration (OA)** assume \$213.111.2 - this legislation has the potential to decrease costs to the state Legal Expense Fund (LEF) as it excludes public employers from awarded reasonable attorney fees and awarded court costs. Potential cost avoidance to the state is unknown. The amount of cost avoidance, if any, cannot be estimated as it would depend on the facts and circumstances of each case and judicial interpretation of the changes.

Officials from the **Missouri Department of Transportation (MODOT)** assume this bill would have an unknown positive impact on the Missouri Highways and Transportation Commission and MoDOT if not be liable to pay attorney fees in lawsuits under the Missouri Human Rights Act.

In response to the similar/identical proposal, HB 1145 – 2025, officials from the **Attorney General's Office** assumed that the proposal would have a positive fiscal impact to the Office of Missouri Attorney General and the State of Missouri. They expect savings for the Legal Expense Fund (LEF) and opportunities for reallocation of 5-7 FTE. Major savings likely to exceed 8+ million yearly (maybe even 10-15 mil). In FY24 and YTD in FY25, MHRA related attorney fee expenditures are approximately 30% of the overall LEF expenditures.

Based on information provided by the AGO, **Oversight** notes the following:

	FY 2022	FY 2023	FY 2024	FY 2025
Legal Expense Fund Expenditures for Attorney Fees on MHRA cases	\$727,447	\$2,073,115	\$8,752,700	\$3,324,531
<b>Average Expenditure for Attorney Fees</b>				<b>\$3,719,448</b>

**Oversight** notes that the state self-assumes its own liability under the LEF, Section 105.711 RSMo. It is a self-funding mechanism whereby funds are made available for the payment of any claim or judgment rendered against the state in regard to the waivers of sovereign immunity or against employees and specified individuals. Investigation, defense, negotiation or settlement of such claims is provided by the Office of the Attorney General. Payment is made by the Commissioner of Administration with the approval of the Attorney General. Oversight notes the LEF is funded by General Revenue, Various Other State Funds and Federal Funds.

Officials from the **Department of Public Safety – Missouri State Highway Patrol and the Department of Public Safety – Veterans Commission (MVC)** both defer to the AGO for the potential fiscal impact of this proposal.

**Oversight** will show a cost avoidance to the LEF and, for simplicity, will reflect the cost avoidance transfer to General Revenue.

Officials from the **Office of Administration – Budget & Planning (B&P)** assumes \$213.010 and 213.111 are modified adding public employer to the list of those who can be held accountable for discriminatory actions. These proposals do not have a direct impact on TSR.

Officials from the **Missouri Department of Transportation (MODOT)** assume this bill would have an unknown positive impact on the Missouri Highways and Transportation Commission and MoDOT if not be liable to pay attorney fees in lawsuits under the Missouri Human Rights Act.

Officials from the **Department of Commerce and Insurance, the Department of Economic Development, the Department of Elementary and Secondary Education, the Department of Higher Education and Workforce Development, the Department of Health and Senior Services, the Department of Mental Health, the Department of Natural Resources, the Department of Corrections, the Department of Labor and Industrial Relations, the Department of Revenue, the Department of Public Safety (Office of the Director, Capitol Police, Alcohol & Tobacco Control, Fire Safety, Gaming Commission, and State Emergency Management Agency), the Missouri National Guard, the Department of Social Services, the Office of the Governor, the Joint Committee on Administrative Rules, the Joint Committee on Public Employee Retirement, the Missouri Lottery Commission, the Missouri Consolidated Health Care Plan, the Department of Agriculture, the Missouri Department of Conservation, the Missouri Ethics Commission, the Missouri House of Representatives, the Oversight Division, the Office of Administration - Administrative Hearing Commission, the Office of the State Auditor, the Missouri Senate, the Office of the Secretary of State, the Office of the State Public Defender, and the Office of the State Treasurer** each assume the proposal will have no fiscal impact on their respective organizations for this proposal.

In response to the similar/identical proposal, HB 1145 – 2025, the **Missouri Office of Prosecution Services** and the **Office of the State Courts Administrator** both assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** notes that the above-mentioned respective agencies 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.

Officials from the **City of Kansas City** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Northwest Missouri State University** and the **Missouri University System** both assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **University of Central Missouri (UCM)** assume the proposal will have an indeterminate impact on their respective organizations. However, Oversight notes the UCM does not specify the actual positive or negative impact this proposal would create on its respective organization.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND</b>			
<u>Cost Avoidance – AGO</u>	Up to	Up to	Up to
Personal Service	\$404,167	\$494,700	\$504,594
Fringe Benefits	\$254,110	\$308,820	\$312,785
Expense & Equipment	\$0	\$0	\$0
<u>Total Cost Avoidance - AGO</u>	\$658,277	\$803,520	\$817,379
FTE Change – AGO p.3-4	Up to (7) FTE	Up to (7) FTE	Up to (7) FTE
<u>Cost Avoidance – Attorney and Court Fees no longer paid by LEF</u>	Could exceed <u>\$3,719,448</u>	Could exceed <u>\$3,719,448</u>	Could exceed <u>\$3,719,448</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b>Could exceed <u>\$4,377,725</u></b>	<b>Could exceed <u>\$4,522,968</u></b>	<b>Could exceed <u>\$4,536,827</u></b>
Estimated Net FTE Change on General Revenue	Up to (7) FTE	Up to (7) FTE	Up to (7) FTE

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>LEGAL EXPENSE FUND (0692)</b>			
<u>Transfer Reduction</u> – from General Revenue	More or less than <u>(\$3,719,448)</u>	More or less than <u>(\$3,719,448)</u>	More or less than <u>(\$3,719,448)</u>
<u>Cost Avoidance</u> – Attorney and Court Fees not paid by LEF	More or less than <u>\$3,719,448</u>	More or less than <u>\$3,719,448</u>	More or less than <u>\$3,719,448</u>
<b>ESTIMATED NET EFFECT ON THE LEGAL EXPENSE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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

The Missouri Human Rights Act (MHRA) currently allows a prevailing party in any civil action brought pursuant to that chapter to be awarded court costs and reasonable attorney fees. This act only permits court costs and reasonable attorney fees in cases not involving a public employer, as that term is defined in the act.

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

Attorney General's Office  
Department of Commerce and Insurance  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Higher Education and Workforce Development

Department of Health and Senior Services  
Department of Mental Health  
Department of Natural Resources  
Department of Corrections  
Department of Labor and Industrial Relations  
Department of Revenue  
Department of Public Safety  
    Office of the Director  
    Division of Alcohol and Tobacco Control  
    Capitol Police  
    Fire Safety  
    Missouri Gaming Commission  
    Missouri Highway Patrol  
    State Emergency Management Agency  
    Missouri Veterans Commission  
Missouri National Guard  
Department of Social Services  
Office of the Governor  
Joint Committee on Public Employee Retirement  
Joint Committee on Administrative Rules  
Missouri Lottery Commission  
Legislative Research  
Oversight Division  
Missouri Consolidated Health Care Plan  
Missouri Department of Agriculture  
Missouri Department of Conservation  
Missouri Ethics Commission  
Missouri House of Representatives  
Office of the Lieutenant Governor  
Missouri Department of Transportation  
Missouri State Employee's Retirement System  
MoDOT & Patrol Employees' Retirement System  
Missouri Office of Prosecution Services  
Office of Administration  
    Administrative Hearing Commission  
    Budget and Planning  
Facilities Management, Design and Construction  
Office of the State Courts Administrator  
Office of the State Auditor  
Missouri Senate  
Office of the Secretary of State  
Office of the State Public Defender  
Office of the State Treasurer  
State Tax Commission

L.R. No. 2151S.02I

Bill No. SB 717

Page **8** of **8**

March 31, 2025

City of Kansas City

University of Central Missouri

Northwest Missouri State University

Missouri University System



Julie Morff

Director

March 31, 2025



Jessica Harris

Assistant Director

March 31, 2025