

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3078S.01I
 Bill No.: SB 778
 Subject: Crimes and Punishment; Drugs and Controlled Substances
 Type: Original
 Date: April 14, 2025

Bill Summary: This proposal creates criminal offenses relating to drug-free homeless service zones.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2035)
General Revenue*	(Could exceed \$8,737)	(Could exceed \$21,389)	(Could exceed \$32,726)	(Could exceed \$125,305)
Total Estimated Net Effect on General Revenue	(Could exceed \$8,737)	(Could exceed \$21,389)	(Could exceed \$32,726)	(Could exceed \$125,305)

*OSCA's potential unknown costs assumed to be less than \$250,000 annually.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2035)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2035)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2035)
Total Estimated Net Effect on FTE	0	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	Fully Implemented (FY 2035)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§579.016 and 579.030 – Criminal offenses relating to drug-free homeless service zones

Officials from the **Department of Corrections (DOC)** state §579.016 creates the offense of possession of a controlled substance in a drug-free homeless service zone, a class A misdemeanor.

As misdemeanors fall outside the purview of the Department of Corrections, the legislation in this section will have no impact on the department.

Section 579.030 expands the offense of distribution of a controlled substance in a protected location to include knowingly distributing, selling, or delivering any controlled substance in a drug-free homeless service zone. The penalty for this offense is a class A felony.

As these are new crimes, there is little direct data on which to base an estimate, and as such, the DOC estimates an impact comparable to the creation of a new class A felony.

Given the seriousness of class A felony offenses and that the introduction of a completely new class A felony offense is a rare event, the DOC assumes the admission of one person per year to prison following the passage of the legislative proposal.

Offenders committed to prison with a class A felony have an average sentence length of 17.1 years and serve on average, 12.3 years in prison prior to first release. The DOC assumes one third of the remaining sentence length will be served in prison as a parole return, and the rest of the sentence will be served on supervision in the community.

The sentence lengths associated with these offenses pushes the estimate of total cumulative impact on the department beyond the 10-year time frame of this fiscal note. However, the estimated impact by FY 2035 is 10 additional offenders in prison.

Change in prison admissions and probation openings with legislation

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	0	0	0	0	0	0	0	0	0	0
Change (After Legislation - Current Law)										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations										
Cumulative Populations										
Prison	1	2	3	4	5	6	7	8	9	10
Parole										
Probation										
Impact										
Prison Population	1	2	3	4	5	6	7	8	9	10
Field Population										
Population Change	1	2	3	4	5	6	7	8	9	10

* If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

If the projected impact of legislation is less than 1,500 offenders added to or subtracted from the department's institutional caseload, the marginal cost of incarceration will be utilized. This cost of incarceration is \$28.73 per day or an annual cost of \$10,485 per offender and includes such costs as medical, food, and operational E&E. However, if the projected impact of legislation is 1,500 or more offenders added or removed to the department's institutional caseload, the full cost of incarceration will be used, which includes fixed costs. This cost is \$100.25 per day or an annual cost of \$36,591 per offender and includes personal services, all institutional E&E, medical and mental health, fringe, and miscellaneous expenses. None of these costs include construction to increase institutional capacity.

If the incarcerated population impact of any one piece of legislation, or combined impact of multiple pieces of legislation, results in a prison population that exceeds the current physical capacity of 26,835, the state would need to construct additional capacity. Based on current construction projects in other Midwest states, the department estimates the cost of constructing a new 1,500-bed maximum security prison at approximately \$825 million to \$900 million.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

	# to prison	Cost per year	Total Costs for prison	Change in probation & parole officers	Total cost for probation and parole	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	1	(\$10,485)	(\$8,737)	0	\$0	11	(\$8,737)
Year 2	2	(\$10,485)	(\$21,389)	0	\$0	22	(\$21,389)
Year 3	3	(\$10,485)	(\$32,726)	0	\$0	34	(\$32,726)
Year 4	4	(\$10,485)	(\$44,507)	0	\$0	38	(\$44,507)
Year 5	5	(\$10,485)	(\$56,746)	0	\$0	45	(\$56,746)
Year 6	6	(\$10,485)	(\$69,458)	0	\$0	49	(\$69,458)
Year 7	7	(\$10,485)	(\$82,655)	0	\$0	53	(\$82,655)
Year 8	8	(\$10,485)	(\$96,352)	0	\$0	53	(\$96,352)
Year 9	9	(\$10,485)	(\$110,564)	0	\$0	53	(\$110,564)
Year 10	10	(\$10,485)	(\$125,305)	0	\$0	53	(\$125,305)

Oversight has no information to the contrary. Therefore, Oversight will present the fiscal impact of this proposal as provided by DOC. Oversight notes the DOC stated sentence lengths associated with these offenses pushes the estimate of total cumulative impact on the department beyond the 10-year time frame of this fiscal note.

Officials from the **Office of the State Courts Administrator (OSCA)** state SB 778 may have some fiscal impact but there is no way to quantify that amount 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 **Office of the State Public Defender (SPD)** state per the National Public Defense Workload Study, the new charge contemplated by this change to §§579.016 and 579.030, creating a class A felony which could result in life imprisonment, would take approximately ninety-nine hours of SPD work for reasonably effective representation. If one hundred cases were filed under this section in a fiscal year, representation would result in a need

for an additional four to five attorneys. Because the number of cases that will be filed under this statute is unknown, the exact additional number of attorneys necessary is unknown. Each case would also result in unknown increased costs in the need for core staff, travel, and litigation expenses.

Oversight assumes this proposal will not create the number of new cases required to request additional FTE for the SPD and that the SPD can absorb the additional caseload required by this proposal with current staff and resources. Therefore, Oversight will reflect no fiscal impact to the SPD for fiscal note purposes. However, if multiple bills pass which require additional staffing and duties, the SPD may request funding through the appropriation process.

Officials from the **Missouri Office of Prosecution Services (MOPS)** state this proposal will have no measurable impact to MOPS. The enactment of a new crime (§579.016) creates additional responsibilities for county prosecutors and the circuit attorney which may in turn result in additional costs which are difficult to determine. **Oversight** has no information to the contrary. Therefore, Oversight will present no fiscal impact for this proposal for MOPS.

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 does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Department of Economic Development**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Social Services** and the **City of Kansas City** 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities and various county officials were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2035)
GENERAL REVENUE FUND				
<u>Costs – DOC (§579.030) – increase in incarceration costs</u>	(\$8,737)	(\$21,389)	(\$32,726)	(\$125,305)
<u>Costs – OSCA (§§579.016 and 579.030) – potential increase in costs</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(Could exceed \$8,737)</u>	<u>(Could exceed \$21,389)</u>	<u>(Could exceed \$32,726)</u>	<u>(Could exceed \$125,305)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2035)
	<u>\$0</u>	<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 creates the offense of possession of a controlled substance in a drug-free homeless service zone, which shall be a class A misdemeanor. A drug-free homeless service zone is an area within 300 feet of the premises of a facility-based service, which is a housing provider that receives federal, state, or local funds for providing shelter to homeless persons or that provides treatment, care, or other services to homeless persons. (§579.016)

This act modifies the offense of distribution of a controlled substance in a protected location to add drug-free homeless service zones to the list of protected locations. This offense is a Class A felony. (§579.030)

If an operator of a facility-based service pleads or is found guilty of either offense created in this act, the operator shall be ineligible to apply for homelessness assistance grants administered by the state for 3 years.

Finally, operators of facility-based services shall post signage, as specified in the act, that identifies the building and its grounds as a drug-free homeless service zone.

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 Economic Development
Department of Health and Senior Services
Department of Mental Health
Department of Corrections
Department of Public Safety - Missouri Highway Patrol
Department of Social Services
Office of the State Public Defender
City of Kansas City
Missouri Office of Prosecution Services
Office of the State Courts Administrator



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