

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1021-02
Bill No.: SCS for SB's 253 and 260
Subject: Property, Real and Personal: Licenses - Professional
Type: Original
Date: February 12, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation (MoDOT)** assume the parts of the proposed legislation dealing with statutes of limitations and damages for home improvements may increase the incidence and cost of construction-related litigation and judgments; however, the long-range fiscal impact on MoDOT is impossible to predict. Overall, MoDOT officials do not expect the proposal to have a significant fiscal impact on their agency.

Officials from the **Office of the State Courts Administrator**, the **Department of Natural Resources**, the **Department of Economic Development**, the **Department of Corrections** and the **Department of Conservation** assume the proposal would have no fiscal impact on their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposal would revise the statute of limitations and add economic loss damages for home improvements. The 10-year statute of limitations would remain the same. Currently, the time period begins to run at completion of the improvement. However, "completion" is not currently defined in the statute. This proposal would change the starting date of the time limit to "substantial completion" and set forth a definition for substantial completion. The proposal would also add economic loss to the list of damages restricted by the 10-year time limit.

It would also require plaintiffs in actions against licensed architects, surveyors, or engineers, to DESCRIPTION (continued)

file affidavits with courts stating that plaintiffs obtained the written opinion of a legally qualified

like licensed professional. The statement made by the licensed professional would state that the defendant licensed professional failed to use such care as a reasonably prudent and careful licensed professional would have under similar circumstances. The affidavit must be filed within ninety-five days of the filing of the petition. The case may be dismissed if the plaintiff or his attorney fails to file such affidavit. A separate affidavit must be filed for each defendant named in a petition. The proposal would not apply to actions filed in small claims court.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Department of Transportation
Department of Natural Resources
Department of Corrections
Department of Conservation
Department of Economic Development



Jeanne Jarrett, CPA
Director
February 12, 2001