

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2894-08  
Bill No.: HCS for SCS for SBs 662 & 704  
Subject: Law Enforcement Officers and Agencies; Pawnbrokers; Real and Personal Property; Crimes and Punishment; Evidence; Criminal Procedure  
Type: Original  
Date: May 14, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	Less than (\$100,000)	Less than (\$100,000)	Less than (\$100,000)
Office of Prosecution Services	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>Less than (\$100,000) to Unknown</b>	<b>Less than (\$100,000) to Unknown</b>	<b>Less than (\$100,000) to Unknown</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government*</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

**\*Fiscal impact on a statewide basis is not expected to exceed (\$100,000) annually.**

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

In response to a previous version of the proposal, officials from the **Boone County Sheriff's Department** assumed the proposed legislation would have no fiscal impact on their agency.

In response to a similar proposal from the current session (SB 662), officials from the **Callaway County Sheriff's Department** assumed the proposed legislation would save the department time in returning property to its lawful owner. However, the proposed legislation would have no fiscal impact on their agency.

Officials from the **Office of Attorney General** assume the costs of the proposed legislation could be absorbed within existing resources.

Officials from the **Office of Prosecution Services** assume the additional \$1 per check charge to handling costs collected from issuers of bad checks will result revenues of an unknown amount to the Missouri Office of Prosecution Services Fund.

In response to a previous version of the proposal, officials from the **Office of State Public Defender** assume existing staff could provide representation for those stealing cases arising where indigent persons were charged with escalated felonies due to the amount of dollars involved and for those cases arising where indigent persons were charged with illegal access to the pawnbroker database, a class C felony. The State Public Defender System further assumes, although the possible penalties for several crimes involving theft of items worth less than \$500 will be reduced, existing staff will continue to provide representation where indigent persons were charged. In reality, the workload on these particular felony reduced to misdemeanor cases would be less, but then the number of these cases is very minimal when compared to the total State Public Defender caseload. Last Fiscal Year, the State Public Defender System provided representation in 4,856 stealing cases, 15 stealing animals cases, 863 receiving stolen property cases, and 2,202 forgery cases. Passage of more than one bill increasing penalties on existing crimes or creating new crimes would require the State Public Defender System to request increased appropriations to cover the cumulative cost of representing indigent persons accused in the now more serious cases or in the new additional cases.

Officials from the **Office of State Courts Administrator** would not anticipate a significant impact on the workload of the judiciary as a result of the proposed legislation.

ASSUMPTION (continued)

Officials from the **Department of Corrections (DOC)** assumes the proposed legislation would have the following fiscal impact on their department:

Internet Access of Pawnshop Information to Law Enforcement Officers Component

DOC assumes this component of the proposal will have \$0 to minimal impact.

**Oversight** assumes the proposal creates a new class C felony. Due to the narrow scope of this new crime, Oversight assumes the impact would be less than \$100,000 per year for the DOC.

Theft and Stealing Components

The DOC cannot predict the impact that may result from the raising and lowering of these stealing value thresholds on the number of offenders sentenced to incarceration or to a period of probation as these dollar values are not reflected in the DOC's data base. The number of commitments depends on the utilization by prosecutors and the actual sentences imposed by the court. DOC assumes the resulting commitments due to changing these limits would offset each other and, therefore, would have no fiscal impact for the DOC.

Officials of the **Department of Public Safety- State Highway Patrol** assumes if the patrol were to use the database service they would pay the access charge. Officials did not know the number of times that they might use the service, nor the cost of access. Therefore, officials assume fiscal impact is (Unknown) and would be less than \$100,000 annually

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE FUND</b>			
<u>Costs – Department of Corrections</u> Incarceration/probation costs	Less than (\$100,000)	Less than (\$100,000)	Less than (\$100,000)
<u>Costs – Missouri State Highway Patrol</u> Database access fees	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>Less than (\$100,000)</u></b>	<b><u>Less than (\$100,000)</u></b>	<b><u>Less than (\$100,000)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>OFFICE OF PROSECUTION SERVICES FUND</b>			
<u>Revenues</u> – from bad check fees	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON OFFICE OF PROSECUTION SERVICES FUND</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>CITIES AND COUNTIES</b>			
<u>Costs</u> – to Law Enforcement Agencies Database access fees*	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

**\*Fiscal impact from access fees, on a statewide bases, is not expected to exceed \$100,000. However, costs would depend upon the amount of use by local law enforcement agencies.**

FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact on pawnbroker businesses in the state.

DESCRIPTION

This substitute requires pawnshops to report certain information about pawnshop transactions to appropriate law enforcement authorities. Pawnshop owners may transmit the required information to a database electronically. Any reporting pawnshop is required to submit transaction information to the database within one business day and must make paper copies of transactions available to law enforcement upon request. The database may be created and maintained by a third party and accessed by law enforcement officials in their investigations of alleged property crimes. Any person who fraudulently accesses the database will be guilty of a class C felony. In addition, municipalities within St. Louis County and St. Louis City may regulate the number of pawnshop licensees.

DESCRIPTION (continued)

The substitute also requires proof of identification for persons selling property to pawnbrokers. If a seller or pledger fails to provide proof of identity, the pawnbroker will hold the property for 30 days and can then transfer the property, if the seller submits a signed statement attesting that he or she is the legal owner and when and from whom the property was acquired. A claimant whose property was misappropriated may demand return of the property in writing. This written demand must be accompanied by a copy of the police stolen property report and an affidavit. If the demand is made, the pawnbroker must return the property to the claimant, in the presence of a police officer, within seven days. However, if the pawnbroker has reason to believe any of the statements in the affidavit are false, the pawnbroker need not return the property and the claimant may seek relief in court. The non-prevailing party will be responsible for court costs and the prevailing party's attorney fees. Conversely, if the pawnbroker returns the property but later discovers information contained in the affidavit was false or that the claimant did not assist police in the prosecution of the theft, the pawnbroker may file suit for the value of the property and the non-prevailing party will be responsible for court costs and the prevailing party's attorney fees.

Itinerant vendors and peddlers are required to provide proof of purchase of any new or unused property and forging a receipt will be prosecuted under Section 570.090, RSMo.

Altering a receipt, price tag, or price code with the intent to cheat and defraud a retailer is made a stealing crime. A reasonable service charge on returned checks is allowed.

The substitute also lowers the felony stealing limit from \$750 to \$500 and raises the felony limit for numerous other crimes involving theft from \$150 to \$500. The other criminal statutes affected are: making a false statement to receive health care payment; sale of any species of wildlife; tampering with computer data, computer equipment, or computer users; determination of value; receiving stolen property; alternation or removal of item numbers with intent to deprive rightful owner; passing bad checks; fraudulently stopping payment on an instrument; fraudulent use of a credit device; library theft; theft of cable television service; failure to return rented personal property; unlawful receipt, conversion, or transfer of food stamps or ATP (Authorization to Participate) cards; and perjury, committed when obtaining public assistance.

The substitute also makes offenses in which the value of property or services is an element (stealing) a class C felony if the value is \$500 to \$25,000 and a class B felony if the value is \$25,000 or more.

A person who has pled guilty or been found guilty on two separate occasions of a stealing-related offense, within 10 years of the present offense and where the person received and served a sentence of 10 days or more on such previous offense, is guilty of a class C felony if the person is found guilty or pleads guilty on the present offense.

DESCRIPTION (continued)

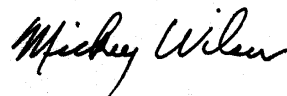
The substitute also adds an additional \$1 per check charge to handling costs collected from issuers of bad checks. The charge will be deposited in the Missouri Office of Prosecution Services Fund.

The substitute contains a severability clause.

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

SOURCES OF INFORMATION

Office of State Courts Administrator  
Office of Attorney General  
Department of Corrections  
Office of Prosecution Services  
Department of Public Safety  
– Missouri State Highway Patrol  
Office of State Public Defender  
Boone County Sheriff's Department  
Callaway County Sheriff's Department



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