

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1492-01
Bill No.: SB 550
Subject: Crimes and Punishment; Contracts and Contractors.
Type: Original
Date: March 3, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety** - Divisions of **Highway Patrol** and the **Water Patrol** each assume this proposal would not fiscally impact their respective agencies.

Officials from the **Office of Prosecution Services** assumes any costs arising from this proposal could be absorbed within existing resources.

Officials from the **Office of the State Courts Administrator (CTS)** states the proposed legislation would add rental contracts to the definition of a stealing offense.

CTS states that depending on the degree of enforcement, there may be some increase in the number of criminal cases filed; however, CTS would not expect it to have a significant impact on the workload of the courts. There is already a civil remedy available, so a criminal case may be filed instead of a civil case.

Officials from the **Department of Corrections (DOC)** state that currently, they cannot predict the number of new commitments which may result from the creation of the offenses(s) outlined in this

ASSUMPTION (continued)

proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court. The probability exists that offenders could already be criminally charged under existing statute, but this new language may make it easier to prosecute and/or convict.

DOC states that if additional persons are sentenced to the custody due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost either through incarceration (FY02 average of \$35.52 per inmate, per day or an annual cost of \$12,965 per inmate) or through supervision provided by the Board of Probation and Parole (FY02 average of \$3.10 per offender, per day or an annual cost of \$1,132 per offender).

In summary, supervision by the DOC through probation or incarceration would result in additional unknown costs to the department. Eight (8) persons would have to be incarcerated per fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new crime, it is assumed the impact would be less than \$100,000 per year for the DOC.

Officials from the **Office of the State Public Defender (SPD)** state that the new section in this law, 570.030.3(3), makes it a crime, in short term leases, to return the property but refuse to pay the agreed upon late charges under a short term lease (i.e. person returns the rental car, but refuses to pay the late charges). The crime being the intent to permanently deprive the rental company of the late charges, not the property. SPD states this is a civil action for breach of contract that is now made criminal. The short term lease could be for anything; such as furniture, cars, etc.

In FY02 the SPD provided representation in 271 cases where indigent persons were charged with failure to return rental property. For the purpose of this proposed legislation the SPD assumes that there will be four times as many persons who will be charged with failure to pay late fees. The SPD assumes the need for 4.5 FTE Assistant Public Defender IIs (each at \$47,100 annually), 1.5 FTE Paralegal/Investigator (at \$24,132 annually), and 1 FTE Clerk Typist III (at \$19,764 annually). The total anticipated cost assumed by the SPD for the 7 new FTE is roughly \$450,000 per year to the General Revenue Fund.

Based upon the assumptions and opinions of the Department of Corrections, Office of the State Courts Administrator and the Office of Prosecution Services, **Oversight** assumes this proposal will not result in a large increase in criminal cases, and therefore assume the SPD could handle the additional increase in caseloads with existing resources. If Oversight is incorrect in this assumption, the SPD can request the additional FTE through the normal budgetary process.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE FUND			
<u>Costs</u> - Department of Corrections Probation or incarceration costs	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	LESS THAN <u>(\$100,000)</u>	LESS THAN <u>(\$100,000)</u>	LESS THAN <u>(\$100,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could impact small businesses that utilize short-term rental contracts.

DESCRIPTION

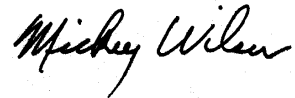
This proposal creates the crime of stealing if a person is in possession of property possessed pursuant to a short-term rental contract and that person does not return the property at the end of the lease or if the person does return the property but does not pay the lease or rental charge agreed to. The crime is a Class C felony.

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

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Department of Public Safety
Missouri State Water Patrol
Missouri Highway Patrol
Office of the State Courts Administrator
Office of Prosecution Services
Office of the State Public Defender
Department of Corrections

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

MICKEY WILSON, CPA
DIRECTOR
MARCH 3, 2003