

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4054-05
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SB 636
Subject: Estates, Wills and Trust; Marriage and Divorce
Type: Original
Date: June 6, 2012

Bill Summary: This proposal modifies the requirements for a spousal trust to include both property held in one trust for both spouses and property held in two separate shares.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Auditor, Administrative Hearing Commission, Joint Committee on Public Retirement, Department of Labor and Industrial Relations, Office of the State Public Defender, Office of the Governor, Missouri Department of Conservation, Department of Public Safety - Missouri Highway Patrol, Missouri Senate, Prosecuting Attorneys and Circuit Attorney's Retirement System, Office of Prosecution Services, Department of Revenue, Department of Mental Health, Department of Insurance, Financial Institutions and Professional Registration and Office of the State Treasurer** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version of this proposal, officials from the **Department of Transportation, Office of Administration and Department of Social Services** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version of this proposal, officials from the **Attorney General's Office** assumed any potential cost arising from this proposal can be absorbed with existing resources.

Officials from the **Missouri House of Representatives** did not respond to our request for fiscal impact

In response to a previous version of this proposal, officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

Officials from the **Department of Corrections** state video conferences as a means to conduct Probation and Parole (P&P) hearings is already in practice in the Department of Corrections by the P&P Board. This reduces overnight lodging and travel expenses for Board members and allows for more work time to be spent in the office. The number of hearings held in this manner has increase substantially over the last few years. As this is already in practice, the savings due to passage of this proposal is considered to be negligible, but positive, for the Department of Corrections per each year.

Section 67.320

Officials from the **Office of the State Courts Administrator** state this section would allow Franklin County to establish a municipal court to prosecute ordinance violations. The court would have juidisdiction over county ordinances and municipal ordinance if the municipality contracts with the court to prosecute municipal violations. Ordinance violation cases are the least time consuming in terms of clerical workload, so we would not anticipate a significant decrease in the workload of the circuit court.

When a county creates an ordinance court, the state is no longer responsible for providing judicial and clerical resources. In addition, the \$15 clerk fee is no longer charged in which 80% is allocated to the state general revenue and 20% to the county. The proposed legislation would allow court cost to go to the county. The court fee cannot exceed municipal cost; therefore, the court fee would be a maximum of \$12. We are unable, at this time, to estimate the impact on the cost and fees assessed in each case.

The **Office of the State Courts Administrator** anticipate a reduction in fine revenues to the schools, crime victims' compensation, law enforcement training and other earmarked funds, but no major cost or savings to the state as a result of this proposal.

Oversight assumes changes to Section 67.320 is permissive and would have no fiscal impact to Franklin County, unless the County Commission, at their discretion, would establish a county municipal court. The county would have the cost of staffing, maintaining and administering the court and fines would continue going to local schools within the county. This proposal does not require the Franklin County Commission to establish a county municipal court system. Oversight assumes no fiscal impact.

ASSUMPTION (continued)

Section 476.055 (Statewide Court Automation extended);

Officials from the **Office of the State Courts Administrator** state this part of the proposed legislation would extend the Statewide Court Automation Fund until September 1, 2018. The fund is used for basic ongoing maintenance of the technological needs of the courts statewide and constitutes approximately 45 percent of the total court automation expenditures, with the rest coming from General Revenue. If the fund sunsets in September 2018, the judiciary would anticipate a budget request for General Revenue of approximately \$5 million and 34 FTE in fiscal 2019.

Oversight assumes the proposed legislation would replace the September 1, 2013 expiration date of the Statewide Court Automation Fund and the Statewide Court Automation Fund fees. The activity in the fund for the previous five fiscal years has been:

Statewide Court Automation Fund (0270)
 from
 Fund Activity Report

Fiscal Year	Beginning Balance	Receipts	Disbursements/ JVs	Transfers/IAB	Ending Balance
2011	\$514,035	\$5,207,903	(\$4,352,894)	(\$884,337)	\$484,708
2010	\$573,453	\$5,567,800	(\$4,510,796)	(\$1,116,422)	\$514,035
2009	\$744,534	\$5,895,702	(\$5,248,108)	(\$818,675)	\$573,453
2008	\$523,045	\$5,684,276	(\$4,176,715)	(\$1,286,071)	\$744,534
2007	\$573,954	\$5,334,765	(\$4,608,026)	(\$777,648)	\$523,045

Oversight assumes the proposal would result in continued revenues and costs to the Statewide Court Automation Fund in fiscal years 2014 through 2019. Based on the data from the past five fiscal years, Oversight assumes the proposal would result in average annual revenues of approximately \$5,500,000, costs of approximately (\$4,500,000), and transfers of approximately (\$1,000,000), resulting in a net zero impact to the Statewide Court Automation Fund each year. Oversight has reflected the initial impact of the proposal in FY 2014 (10 months) since the current expiration date is September 1, 2013 (FY 2014). Oversight also assumes the entire balance of the Statewide Court Automation Fund would have been expended by September 1, 2013 and the extension of this to 2018 would not have a fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

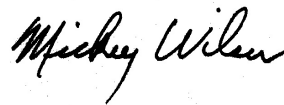
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SOURCES OF INFORMATION

Department of Corrections
Office of the State Auditor
Attorney General's Office
Department of Transportation
Office of Prosecution Services
Office of the State Public Defender
Administrative Hearing Commission
Department of Insurance, Financial Institutions and Professional Registration
Office of the State Courts Administrator
Office of Administration
Department of Labor and Industrial Relations
Office of the State Treasurer
Department of Revenue
Office of the State Public Defender
Missouri Department of Conservation
Department of Mental Health
Office of the Secretary of State
Department of Social Services
Missouri Senate
Office of the Governor
Joint Committee on Public Retirement
Prosecuting Attorneys and Circuit Attorney's Retirement System

NOT RESPONDING

Missouri House of Representatives



Mickey Wilson, CPA

Director
June 6, 2012