

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4314-01
Bill No.: SB 444
Subject: Transportation; Transportation Department; Civil Procedure
Type: Original
Date: January 24, 3012

Bill Summary: The proposal repeals a provision of law which requires the Department of Transportation to submit to binding arbitration in negligence actions and allows the commission to delegate to designated hearing examiners the authority to conduct hearings and render final decisions.

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
Road Fund	Unknown greater than \$100,000	Unknown greater than \$100,000	Unknown greater than \$100,000
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown greater than \$100,000	Unknown greater than \$100,000	Unknown greater than \$100,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 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 **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Transportation (MHTC)** assume this change will have a positive fiscal impact on their agency. Prior to the implementation of binding arbitration, MHTC's total tort costs captured amounted to approximately \$4 million. In 2009, MHTC's total tort costs captured amounted to approximately \$11.9 million, an increase of nearly \$8 million. MHTC assumes an annual savings of \$2,000,000 to the Road Fund as a result of this proposal.

This proposal repeals section 226.095 RSMo., which requires the Department of Transportation to participate in binding arbitration upon the request of a plaintiff in a tort case.

Oversight has shown the savings to the State Road Fund as unknown greater than \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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ROAD FUND

<u>Savings - Department of Transportation</u> Removing Binding Arbitration	<u>Unknown</u> <u>greater than</u> <u>\$100,000</u>	<u>Unknown</u> <u>greater than</u> <u>\$100,000</u>	<u>Unknown</u> <u>greater than</u> <u>\$100,000</u>
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ESTIMATED NET EFFECT ON ROAD FUND	<u>Unknown</u> <u>greater than</u> <u>\$100,000</u>	<u>Unknown</u> <u>greater than</u> <u>\$100,000</u>	<u>Unknown</u> <u>greater than</u> <u>\$100,000</u>
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<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 businesses would be expected as a result of this proposal.

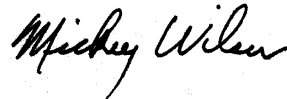
FISCAL DESCRIPTION

This act repeals a provision of law which currently requires MoDOT to submit to binding arbitration upon the request of a plaintiff in a negligence action and allows the commission to delegate to designated hearing examiners the authority to conduct hearings and render final decisions.

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 Transportation



Mickey Wilson, CPA
Director
January 24, 2012