

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4967-05
Bill No.: CCS for HCS for SB 569
Subject: Liability; Estate, Wills, and Trusts; Property, Real and Personal
Type: Original
Date: May 10, 2018

Bill Summary: This proposal modifies provisions relating to trusts.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> 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 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

§§456.006, 456.1-103, 456.4-414

In response to a previous version, officials at the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Health and Senior Services** and the **Department of Social Services** each assumed no fiscal impact to their respective agencies from this proposal.

§§456.985, 456.1035, 456.1080, 456.8-808

In response to similar legislation from this year, HB 1845, officials at the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Social Services** and the **Department of Health and Senior Services** each assumed no fiscal impact to their respective agencies from this proposal.

In response to similar legislation from this year, HB 1845, officials at the **Office of the Attorney General (AGO)** assumed that any potential costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if there is a significant increase in litigation.

Bill as a Whole

Officials at the **Office of the State Courts Administrator**, the **Department of Mental Health** and the **Department of Revenue** each assume no fiscal impact to their respective agencies from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

There could be a direct fiscal impact on litigation against small business investment companies as a result of this proposal.

FISCAL DESCRIPTION

Under this act, a trust which is a health savings account shall be deemed to have been established on the day when the beneficiary of the trust is an eligible individual in the calendar year in which the trust is created.

Under current law, a trustee of a trust consisting of property having a total value of less than \$100,000 may terminate the trust if the trustee determines that the value of the trust property is insufficient to justify the cost of the administration. This act increases the required value of the trust property to less than \$250,000 before the trustee can terminate the trust.

This act provides that when a directed trust, as defined in the act, grants investment decisions to a person or advisory or investment committee then the trustee shall not be liable for any loss resulting from the investment decisions made.

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

Office of the State Courts Administrator
Department of Insurance, Financial Institutions and Professional Registration
Department of Revenue
Department of Health and Senior Services
Department of Mental Health
Department of Social Services
Office of the Attorney General

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope".

Acting Director
May 10, 2018