

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2027-01
Bill No.: SB 679
Subject: Civil Procedure; Courts; Judges
Type: Original
Date: April 2, 2003

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| None | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| 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 4 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 **Office of State Courts Administrator (CTS)** assume the proposed legislation would modify the allowable interest on certain judgments by tying it to the price of U.S. Treasury Bills. CTS is to distribute notice of such rates and any changes in such rates to the circuit clerks of all circuit courts in Missouri. Since the rate of interest on U.S. Treasury bills changes weekly, even daily, there would be an amount of clerical time spent each day to research and “publish” the rate. The variable rate would also have the potential effect of creating more litigation, but CTS has no way of calculating what that increase might be.

Interest rates would be based on the auction price for the last auction of fifty-two week United States Treasury bills. These bills are auctioned every four weeks, or thirteen times per year. Therefore, **Oversight** assumes the Office of State Courts Administrator (CTS) could absorb the cost of distributing the interest rate on certain judgments to circuit court clerks and the cost of any litigation created by the proposed legislation. If CTS experiences an increase that would justify additional FTE, funding could be requested through the appropriation process.

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

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

DESCRIPTION

The proposed legislation would provide that the interest rate on moneys due from a judgment or court order would be equal to the coupon issue yield equivalent, as determined by the Federal Reserve Board, of the average accepted auction price for the last auction of 52 week U.S. Treasury bills settled immediately prior to the date of judgment.

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 State Courts Administrator

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

Mickey Wilson, CPA
Director
April 2, 2003