

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4213-06
Bill No.: SCS for SB 1060
Subject: Civil Procedure; Courts; Criminal Procedure; Judges
Type: Original
Date: April 26, 2010

Bill Summary: The proposal modifies provisions relating to court procedures.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(Unknown) to \$805,408	(Unknown) to \$1,401,342	(Unknown) to \$1,426,429
Total Estimated Net Effect on General Revenue Fund	(Unknown) to \$805,408	(Unknown) to \$1,401,342	(Unknown) to \$1,426,429

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 22 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
State Legal Expense*	\$0	\$0	\$0
Children's Trust	\$15,750	\$18,900	\$18,900
Endowed Cemetery	\$3,150	\$3,780	\$3,780
Missouri Public Health Services	\$15,750	\$18,900	\$18,900
Various	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown) to \$34,650	(Unknown) to \$41,580	(Unknown) to \$41,580

* Offsetting Savings and Losses to the State Legal Expense Fund of \$458,333 in FY 2011, and \$550,000 in FY 2012 and FY 2013, net to \$0.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Federal**	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds**	\$0	\$0	\$0

** Offsetting Revenue and Losses of \$272,429 to \$651,965 in FY 2011, \$715,645 to \$1,626,580 in FY 2012, and \$737,114 to \$1,675,377 in FY 2013, net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	(More than \$458,333)	(More than \$550,000)	(More than \$550,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Coordinating Board for Higher Education, Office of Administration – Administrative Hearing Commission, Department of Economic Development, Department of Insurance, Financial Institutions, and Professional Registration, Department of Mental Health, Department of Natural Resources, Department of Corrections, Department of Labor and Industrial Relations, Department of Public Safety – Missouri State Highway Patrol, – Missouri State Water Patrol, – Director’s Office, Office of the Governor, Missouri Consolidated Health Care Plan, Department of Conservation, Missouri Ethics Commission, Office of the Lieutenant Governor, Office of Prosecution Services, State Auditor’s Office, Missouri Senate, Office of the State Treasurer, City of Centralia, St. Louis County, Jefferson City Police Department, Parkway School District, Metropolitan Community College of Kansas City, Linn State Technical College, Missouri Southern State University, Missouri State University, Missouri Western State University, Northwest Missouri State University, and the University of Central Missouri** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of Administration – Division of Budget and Planning** assume there should be no added cost to their agency. However, this bill contains various provisions that will impact total state revenue:

- Authorization for the state registrar to impose fees for providing adult adoptees with biological parent information and
- Establishment of child support fees.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

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 proposal for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

ASSUMPTION (continued)

Section 32.056 – Department of Revenue Records

Officials from the **Department of Revenue (DOR)** state Section 32.056 allows judges empowered under article V, section 1 of the Missouri constitution, any member of the federal judiciary, and any member of such person's immediate family to have their motor vehicle and driver's license record information protected under a strict confidential status. These will be applied to Appellate, Circuit/Associate, and Municipal court judges, as well as all federal judges assigned to the U.S. eastern and western district courts.

Through conversation with the Office of State Courts Administrator (OSCA), Missouri has 7 Supreme Court judges, 32 Appellate Court judges, and 335 Circuit/Associate Court judges. OSCA also advises that municipal court judges are empowered through the Circuit Court system and should be considered a qualifying judge. There are 540 Municipal court judges. As well it was indicated there are 35 federal judges that would fall into this proposal.

The DOR currently has a process in place for designated persons to include their information in the confidential records system. This proposal expands the parameters of who may be included in the confidential records system and therefore increasing the DOR's work load of recording this information.

- There are 949 total judges that would be available for this process.
- It is assumed that only 10% (95) of those judges will participate in FY 11.
- As knowledge and awareness increases it is assumed that 50% (475) will participate in FY 12, and 75% (712) in FY 13.
- A revenue processing tech can process 5 confidential transactions per hour resulting in 19 hours of overtime in FY 11 at a cost of \$288, 98 hours of overtime in FY 12 at a cost of \$1,481, and 147 hours of overtime in FY 13 at a cost of \$2,221.

The DOR – Driver License Bureau will be required to:

- Update restriction of information form;
- Update procedures for acceptance and processing of restriction of information forms.

ASSUMPTION (continued)

DOR assumes this would require:

2 Management Analysis Specialist 1 – 40 hrs @ \$21.00 per hr =	\$840
1 Revenue Band Manager – 10 hrs @ \$30.00 hr =	\$300
1 Revenue Section Supervisor – 10 hrs @ \$20.00 =	\$200
1 Administrative Office Support Assistant – 10 hrs @ \$22.50 (1 ½) =	<u>\$225</u>
Total	\$1,565

DOR estimates the cost to print updated forms at \$12.50 (500 forms x .025 = \$12.50).

Oversight assumes the Department of Revenue's (DOR) costs of processing confidential transactions and updating the DOR's website and related forms for the proposed changes could be absorbed within existing resources. Oversight also assumes DOR could absorb the cost of printing updated forms within existing resources.

Section 105.726 – State Legal Expense Fund

Officials from the **Office of Administration – General Services Division (COA)** assume under Chapter 105.726(3) the reimbursement to the St. Louis and Kansas City police boards has been removed. Over the past three calendar years, COA has reimbursed the police boards approximately \$1.6 million for an annual estimated savings of approximately \$550,000.

Oversight has adjusted the FY 2011 savings to reflect 10 months.

Sections 193.125, 193.128, 193.132, & 193.255 – Adoption Records

Officials from the **Department of Health and Senior Services (DHSS)** assume, per Section 193.265, RSMo, the cost per birth certificate statement is \$15 to be distributed as follows: Children's Trust Fund – \$5; General Revenue – \$4; Endowed Cemetery Fund – 41; and Missouri Public Health Services Fund (MOPHS) – \$5. The increase in revenue for FY 2011 is determined by 3,780 requests x \$15 per request for a total of \$56,700, adjusted to \$47,250 for a 10-month period in FY 2011. Per 193.265, RSMo, this revenue will be split between the four funds (GR = \$12,600, Children's Trust Fund = \$15,750, Endowed Cemetery Fund = \$3,150, and Missouri Public Health Services Fund = \$15,750).

ASSUMPTION (continued)

For the provisions in Section 193.128, DHSS states that currently, the Bureau of Vital Records responds to approximately 10 to 15 inquiries and requests daily regarding access to sealed adoption records. Inquiries and requests for copies of original birth certificates are expected to double from the current amount, with an increase of approximately 3,780 requests annually (15 x average of 21 working days per month x 12 months in a year = 3,780 requests). There is currently one Senior Office Support Assistant – Keyboarding (SOSA) working on adoptions. Two additional SOSAs (at \$24,576 per year) would be needed to handle the additional requests, redact information from medical history forms, and assist in preliminary investigative activities in locating the birth mother. The additional SOSA positions would assist internal and external customers through written correspondence, in person, and over the telephone regarding adoptions, vital events and related matters. The SOSAs would perform moderate to difficult clerical and technical functions involving a significant amount of public contact. Duties include researching requests related to obtaining original birth records; determining if the mother is living; locating contact information; processing documents related to births, including adoption decrees (domestic and foreign); legitimating affidavits; amending or creating new certificates as instructed by affidavits or court orders; processing delayed applications; performing manual and computer searches; updating the system mainframe; and issuing copies as requested.

The legislation would also require the Bureau of Vital Records to develop a contact preference form and medical history form to provide to the birth parent(s), upon request.

The sealed records are stored at the State Archives. DHSS currently does not have staff dedicated to drive to the State Archives to retrieve and return the sealed records. A one-half Office Support Assistant – Keyboard (OSA) (at \$21,984 per year) is requested to perform these duties. DHSS estimates three trips per week, utilizing an existing state vehicle, to the State Archives. The OSA will research the location of the records, locate and pull the appropriate sealed records at archives and return the previous sealed records to the proper location. The OSA may also assist the SOSA as time allows in processing applications and duplicating records.

A Clinical Social Work Specialist (at \$38,700 per year) is requested to make phone calls to birth mothers to obtain her consent or denial to release the original birth record. These calls will be sensitive in nature, as the birth mother may not be aware that her birth child is trying to locate her. A high degree of tact, sensitivity, discretion and specialized training will be necessary to perform these duties.

Standard expense and equipment costs are included for additional staff. In addition, approximately \$1,663 would be need for postage (3,780 X \$0.44 per envelope).

ASSUMPTION (continued)

Oversight assumes, because the potential significant increase in the workload is speculative, that the Department of Health and Senior Services (DHSS) could absorb the workload within existing staff. Therefore, Oversight has not included the 3.5 FTE in the fiscal note. Any significant increase in the workload of the DHSS would be reflected in future budget request.

Sections 452.340 & 454.557 – Child Support

Officials from the **Department of Social Services – Family Support Division** assume implementation of the proposed amendments to subdivisions 452.340.11(1), 452.340.11(2), 452.340.11(4), 454.557.1(2), and 454.557.1(3) will require the division to implement policy and procedural changes. These changes can be made with existing staff. The division also believes that implementation of the proposed amendments will allow the division to redirect resources from resolving termination of support issues to collecting child support. The division is unable to determine the impact to collections.

Sections 454.425 & 454.548 – Fees for Certain Child Support-Related Services

Officials from the **Department of Social Services – Family Support Division (FSD)** state in its State FY 11 budget request, FSD requested funding of \$137,112 in one-time costs related to a one-time mailing of fee notifications and system changes necessary to implement the child support fees proposed in this bill (\$46,618 would be funded with Child Support Enforcement Collections Funding; and \$90,494 with federal funding).

To meet federal notification requirements, the FSD would need to mail notices to never-assistance recipients of services. The FSD expects it will need to mail approximately 123,000 notices at a cost of \$0.36 per notice for a one-time cost of \$44,280. After the first year, notice to affected entities will be incorporated into existing agency forms/notices at no additional cost.

It is estimated it would take the Office of Administration's Information Technology (IT) staff 1,200 hours to make the necessary system changes to the Missouri Automated Child Support Systems (MACSS) to implement the fees for a one-time cost of \$92,832 (1,200 hours x \$77.36 hourly rate).

ASSUMPTION (continued)

In addition, in FY 2011, the FSD estimates that approximately 3,573 cases would be subject to the review fee, resulting in \$214,380 in fee collections (\$72,889 state share). Approximately 4,113 cases would be subject to the modification fee. The FSD also estimates that 2,879 will be subject to a fee of \$175 and 1,234 will be subject to a fee of \$350, resulting in \$935,725 in fee collections (\$318,147 state share). Approximately 19,243 cases would be subject to the federal income tax refund offset fee annually, resulting in \$481,075 in fee collections (\$163,566 state share). Expanding the annual \$10 annual payment processing fee to include IVD cases would result in an additional \$481,580 in fee collections annually (\$163,737 state share).

At the maximum, there is a potential total annual collection of fees of \$2,112,760 (\$718,339 state share). The FSD only anticipates collecting a little more than half of the fees in the first year. Therefore, in FY11, based on the following calculations, the FSD believes of the fees collected, \$335,861 could be used to offset GR expenditures. In the FY 11 FSD Budget Request, there was a core cut of GR in the County Reimbursement core.

	<u>State Share</u>	<u>Federal Share</u>	<u>Total</u>
Total potential fees collected	\$718,339	\$1,394,421	\$2,112,760
Less one-time implementation costs	\$ 46,618	\$ 90,494	\$ 137,112
Net fees/savings amount	\$671,721	\$1,303,927	\$1,975,648
First year fees (net)	\$335,861	\$651,965	\$987,825
Total first year fees anticipated	\$382,479	\$742,458	\$1,124,937

Earlier versions of this bill required the fee for review and modification to be paid prior to the division initiating the review or modification; however pursuant to federal requirements, states cannot refuse service requested. Doing so, would likely result in a finding of the state's failure to comply with Title IV-D State Plan requirements which would result in a total loss of federal funding, including incentives. Any loss of federal funding would have to be replaced by General Revenue. A federally approved IV-D State Plan is also a requirement to receive the TANF block grant, so a disapproved IV-D State Plan could also jeopardize federal TANF funding.

ASSUMPTION (continued)

Therefore, at minimum, including only the federal income tax refund offset fee and annual payment processing fee, there is a potential total annual collection of fees of \$962,655 (\$327,303 state share). However, the FSD only anticipates collecting a little more than half of the fees in the first year due to time needed to change procedures and the system for implementation of the fees. Therefore, in FY11 based on the following calculations, the FSD believes of the fees collected, \$140,343 could be used to offset GR expenditures. In the FY 2011 FSD budget request, there was a core cut of GR in the County Reimbursement core.

	<u>State Share</u>	<u>Federal Share</u>	<u>Total</u>
Total potential fees collected	\$327,303	\$ 635,352	\$ 962,655
Less one-time implementation costs	<u>\$ 46,618</u>	<u>\$ 90,494</u>	<u>\$ 137,112</u>
Net fees/savings amount	\$280,685	\$ 544,858	\$ 825,543
First year fees (net)	\$140,343	\$272,429	\$ 412,772
Total first year fees anticipated	\$186,961	\$362,923	\$ 549,884

Therefore, for FY 2011, FSD's fiscal impact will range from a minimum of \$412,772 (\$140,343 State Share) to a maximum of \$987,825 (\$335,861 State Share).

In FY 12, the FSD estimates that approximately 4,288 cases would be subject to the review fee, resulting in \$257,280 in fee collections (\$87,475 state share). Approximately 4,936 cases would be subject to the modification fee. The FSD estimates that 3,455 will be subject to a fee of \$175 and 1,481 will be subject to a fee of \$350, resulting in \$1,122,925 in fee collections (\$381,795 state share). Approximately 20,256 cases would be subject to the federal income tax refund offset fee annually, resulting in \$506,400 in fee collections (\$172,176 state share). Expanding the annual \$10 annual payment processing fee to include IVD cases would result in an additional \$577,910 in fee collections annually (\$196,489 state share).

At the maximum, in FY 12, there is a potential total annual collection of fees of \$2,464,515 (\$837,935 state share).

At the minimum, in FY 2012, including only the federal income tax refund offset fee and annual payment processing fee, there is a potential total annual collection of fees of \$1,084,310 (\$368,665 state share).

ASSUMPTION (continued)

Sections 537.800, 537.802, 537.804, 537.806, 537.808, and 537.810 – Missouri False Claims Act

Officials from the **Office of the Attorney General (AGO)** state Section 537.804 of the proposal mandates that the AGO “shall diligently investigate” any alleged violations pursuant to the State False Claims Act, and may file a civil action. AGO assumes reviewing materials associated with potential claims of fraud would require 1 FTE Investigator (at \$32,000 per year) to meet the requirements of the bill. If the proposal results in a significant increase in caseload, AGO may seek an additional appropriation to adequately litigate the fraud against the State.

AGO assumes that any costs resulting from the remaining provisions could be absorbed with existing resources, but may seek an additional appropriation if increased referrals result.

In response to a similar proposal from the 2009 Session (HB 940, LR # 2054-01), officials from the Office of the Attorney General assumed any potential costs arising from this proposal can be absorbed within existing resources. Therefore, **Oversight** assumes the AGO can absorb any potential costs within existing resources. Oversight assumes any significant increase in the workload of the AGO would be reflected in future budget requests.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there is no state cost to the foundation formula associated with this proposal. Should the new crimes and amendments to current law result in additional fines or penalties, DESE cannot know how much additional money might be collected by local governments or the DOR to distribute to schools. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to schools increases the deduction in the foundation formula the following year. Therefore, the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

Oversight assumes any increase or decrease in fine or penalty revenues generated cannot be determined. Therefore, the fiscal note does not reflect any fine or penalty revenues for the local school districts.

ASSUMPTION (continued)

Officials from the **Department of Transportation (MoDOT)** assume this bill creates the “Missouri False Claims Act.” It authorizes the Attorney General (AGO) to pursue civil penalties against persons or entities who submit false claims for payment to the state or a political subdivision of the state (including school districts). The bill authorizes the AGO to file a lawsuit on behalf of the state when a false claim has been made. This will effectively prevent Missouri Highways and Transportation Commission (MHTC) from pursuing any false claims made against MHTC on its own.

The bill does not specifically state that any penalties or damages recovered due to a false claim will be used to reimburse the damaged state agency, school district, etc., but if that is the case, this bill could have an unknown fiscal impact upon MoDOT.

Officials from the **Department of Social Services – Human Resources Center (DOS)** assume this would duplicate the “Whistleblower” protections that the DOS employees already have under RSMo 105.055; however, it would increase the restitution to effected employees. Employees with regular status may appeal to the Personnel Advisory Board (PAB) whenever they allege that they have been retaliated against (disciplined) for disclosure of prohibited activities.

Under this proposed legislation, any employee who is retaliated against is entitled to all relief necessary to make the employee whole including: reinstatement with the same seniority status the employee would have had but for the discrimination, two times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the retaliation, including litigation costs and reasonable attorneys’ fees, and the employee may bring action in the appropriate circuit court for relief.

This increases the liability to the agency because of the additional restitution to the effected party (for example, currently employees receive back pay not two times the amount of back pay; do not receive interest on the back pay; and they are not entitled to special damages). Additionally, it is noted that no limit is established on the special damages that can be awarded. DOS assumes the cost would be (Unknown).

Oversight assumes the various state agencies and local governmental entities could incur increased liability costs as a result of the proposal. Oversight has reflected the costs to the general revenue fund, various state funds, and local government as (Unknown).

The proposal could have a fiscal impact on total state revenue.

ASSUMPTION (continued)

Officials from the Department of Agriculture, Office of the State Public Defender, Various Missouri Cities, Various Missouri Counties, Various Public School Districts, Various Public Universities and Colleges, Various Public Hospitals, Various Sheriff's Departments, and Various Police Departments did not respond to Oversight's request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE FUND			
<u>Revenue</u> – Department of Health and Senior Services			
Birth Certificate Fees (§193.128)	\$12,600	\$15,120	\$15,120
<u>Revenue</u> – Department of Social Services – Family Support Division			
Fee income collected (§§454.425 & 454.548)	\$140,343 to \$335,861	\$368,665 to \$837,935	\$379,725 to \$863,073
<u>Savings</u> – Office of Administration			
Decreased transfers to State Legal Expense Fund (§105.726)	\$458,333	\$550,000	\$550,000
<u>Costs</u> – Department of Health and Senior Services			
Postage (§193.128)	(\$1,386)	(\$1,713)	(\$1,764)
<u>Costs</u> – Various State Agencies			
Increased liability payments (§§537.800 – 537.810)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(<u>Unknown</u>) to <u>\$805,408</u>	(<u>Unknown</u>) to <u>\$1,401,342</u>	(<u>Unknown</u>) to <u>\$1,426,429</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2011 (10 Mo.)	FY 2012	FY 2013
STATE LEGAL EXPENSE FUND			
<u>Savings</u> – Office of Administration			
Reduced reimbursement to St. Louis and Kansas City police boards (§105.726)	\$458,333	\$550,000	\$550,000
<u>Losses</u> – Office of Administration			
Reduced transfers in from General Revenue Fund (§105.726)	(<u>\$458,333</u>)	(<u>\$550,000</u>)	(<u>\$550,000</u>)
ESTIMATED NET EFFECT ON STATE LEGAL EXPENSE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
CHILDREN’S TRUST FUND			
<u>Revenue</u> – Department of Health and Senior Services			
Birth Certificate Fees (§193.128)	<u>\$15,750</u>	<u>\$18,900</u>	<u>\$18,900</u>
ESTIMATED NET EFFECT ON CHILDREN’S TRUST FUND	<u>\$15,750</u>	<u>\$18,900</u>	<u>\$18,900</u>
ENDOWED CEMETERY FUND			
<u>Revenue</u> – Department of Health and Senior Services			
Birth Certificate Fees (§193.128)	<u>\$3,150</u>	<u>\$3,780</u>	<u>\$3,780</u>
ESTIMATED NET EFFECT ON ENDOWED CEMETERY FUND	<u>\$3,150</u>	<u>\$3,780</u>	<u>\$3,780</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2011 (10 Mo.)	FY 2012	FY 2013
MISSOURI PUBLIC HEALTH SERVICES FUND			
<u>Revenue</u> – Department of Health and Senior Services			
Birth Certificate Fees (§193.128)	<u>\$15,750</u>	<u>\$18,900</u>	<u>\$18,900</u>
ESTIMATED NET EFFECT ON MISSOURI PUBLIC HEALTH SERVICES FUND	<u>\$15,750</u>	<u>\$18,900</u>	<u>\$18,900</u>
VARIOUS STATE FUNDS			
<u>Costs</u> – Various State Agencies			
Increased liability payments (§§537.800 – 537.810)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2011 (10 Mo.)	FY 2012	FY 2013
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FEDERAL FUNDS

Revenue – Department of Social Services
 – Family Support Division

Fee income collected (§§454.425 & 454.548)	\$272,429 to \$651,965	\$715,645 to \$1,626,580	\$737,114 to \$1,675,377
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Losses – Department of Social Services –
 Family Support Division

Reduction in reimbursements for fee income collected (§§454.425 & 454.548)	<u>(\$272,429 to \$651,965)</u>	<u>(\$715,645 to \$1,626,580)</u>	<u>(\$737,114 to \$1,675,377)</u>
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**ESTIMATED NET EFFECT ON
 FEDERAL FUNDS**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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LOCAL GOVERNMENT

Losses – Kansas City and St. Louis Board
 of Police Commissioners

Reimbursements from State Legal Expense Fund (§105.726)	(\$458,333)	(\$550,000)	(\$550,000)
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Costs – Local Government
 Increased liability payments
 (§§537.800 – 537.810)

	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
 LOCAL GOVERNMENT**

	<u>(More than \$458,333)</u>	<u>(More than \$550,000)</u>	<u>(More than \$550,000)</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The proposed legislation modifies various provisions relating to court procedures:

Section 32.056 – Department of Revenue Records

Currently, the Department of Revenue (DOR) is prohibited from releasing the home address or any information contained in the motor vehicle or driver registration records of parole officers, federal pretrial officers, peace officers, and their immediate family members. This act also prohibits the DOR from releasing this information for certain federal and state court judges.

Section 105.726 – State Legal Expense Fund

Currently, the state legal expense fund reimburses the St. Louis and Kansas City board of police commissioners for claims on an equal share basis per claim up to one million dollars per fiscal year and the Attorney General is required to represent the board of police commissioners and police officers if requested by the board. This act eliminates the reimbursement and makes it optional, rather than mandatory that the Attorney General provide legal representation when requested.

Sections 193.125, 193.128, 193.132, & 193.255 – Adoption Records

This act modifies provisions regarding birth certificates and adoption records:

The State Registrar shall develop and, upon a birth parent's request, provide both a contact preference and a medical history form to the birth parent. The contact preference form allows a birth parent to list his or her preference for contact by the adoptee. If a contact preference form is filed with the registrar, a medical history form shall also be so filed. Upon receipt of the forms, the State Registrar shall attach such forms to the original birth certificate of the adopted person.

FISCAL DESCRIPTION (continued)

This act allows an adopted person, the adopted person's attorney, or the adopted person's descendants, if the adopted person is deceased, to obtain a copy of the adopted person's original birth certificate from the State Registrar upon written application and proof of identification. The adopted person shall be 18 years of age or older and born in Missouri. The adopted person shall also agree in writing to abide by the birth parent's contact preference, if such preference is included with the adopted person's original birth certificate. The State Registrar shall also provide a medical history form, if such form was completed by the birth parent.

The provisions of the act shall not apply to adoptions instituted or completed prior to August 28, 2010, except that a copy of the medical history form, which has had all identifying information redacted, shall be issued to such adopted person. For adoptions completed prior to August 28, 2010, the State Registrar shall release the original birth certificate only if the birth mother is deceased. If the birth mother is not deceased, the State Registrar shall, within three months of application by the adopted person, make reasonable efforts to contact the birth mother via telephone or U.S. mail, personally and confidentially, to obtain the birth mother's written consent or denial to release the original birth certificate. If the birth mother could not be contacted, the adopted person may re-apply for a copy of the original birth certificate within one year from the end of the three-month period during which the attempted contact with the birth mother was previously made.

Sections 452.340, 454.475, 454.517, 454.557, & 454.1003 – Child Support

This act modifies provisions relating to child support.

Under this act, child support obligations may be terminated in the automated child support system when support is deemed terminated under state law. This act allows child support to be terminated if the state case registry indicates that the child is twenty-one years old and the support order does not require further payment. The act also allows for a hearing regarding a child's emancipation when it is disputed by the parties, rather than treating the dispute as a motion to modify the support obligation.

This act specifies that affidavits shall be filed with the court for judicial orders and with the family support division for administrative orders.

FISCAL DESCRIPTION (continued)

This act requires the family support division to advise the obligor of the procedures to contest a lien placed, by the family support division, on workers' compensation benefits on the grounds that such lien is a mistake of fact. The obligor shall request a hearing within 30 days of the mailing of the notice. The certified copy of the court order and the sworn or certified statement of arrearages shall constitute prima facie evidence that the division's order is valid and enforceable. If prima facie evidence is established, the obligor may only assert mistake of fact as a defense. The obligor shall have the burden of proof on such issues.

Sections 454.425 and 454.548 – Child Support Service Fees

This act requires the family support division of the department of social services to charge a non-refundable 60 dollar fee to a person who requests that the division review a child support order for the purpose of determining whether a modification to the child support order is appropriate. The act requires the family support division to charge a non-refundable fee to a person who requests that the division modify a support order after the division determined that modification is appropriate. The modification fee shall be either 175 or 350 dollars, based on the income of person requesting the modification. The act also requires the division to charge a 25 dollar fee for submitting past-due child and spousal support debts for collection through federal income tax refund offset. The division is required to waive these fees for certain individuals. The division is authorized to change the amount of the review fee and modification fee by administrative rule, but the amount of these fees is required to be based on actual standardized cost, as required by federal regulation. The division is also required to charge a 10 dollar fee from support received through the payment center for each order for every year or portion of a year during which payments are received by the payment center.

FISCAL DESCRIPTION (continued)

Section 537.800, 537.802, 537.804, 537.806, 537.808, 537.810 – Missouri False Claims Act

The act creates provisions regarding the filing of fraudulent claims for payment with the state, political subdivisions, school districts, charter schools, and municipal corporations. Under these provisions, anyone who files false claims with these governmental organizations, or any public employee or official who commits certain prohibited acts or violates certain criminal statutes, will in most cases be subject to civil penalties of at least \$10,000, plus three times the amount of damages to the government. With some exceptions, including claims regarding Mo HealthNet, a private person can file a lawsuit on behalf of the government. The Attorney General has the authority to intervene and continue the lawsuit, or may allow the private person to continue with the lawsuit. The government may dismiss the action or settle the action, after a hearing before the court. The court may limit the participation of the private person in the lawsuit, if the government shows that it would interfere with their civil case, or may postpone discovery in the case, if it would interfere with a criminal prosecution or other government civil case.

The private person who brings the lawsuit will get a percentage of the money awarded in the lawsuit. If the private person who brought the lawsuit planned or initiated the violation of state law, their recovery is reduced. If the private person who brought the lawsuit is criminally convicted based on their role in the violation of state law, they cannot recover any money.

Employees who are discriminated against in the terms and conditions of their employment because of participating in a false claims case are entitled to file a lawsuit to be reinstated to their job, and receive two times the amount of back pay, interest, special damages, litigation costs, and attorneys' fees.

This legislation is not federally mandated, would not duplicate any other program, and would not require additional capital improvements or rental space.

The proposal contains an emergency clause for Section 452.430, and the provisions in this section would be in full force and effect upon its passage and approval.

SOURCES OF INFORMATION

Office of the Attorney General
Coordinating Board for Higher Education
Office of Administration

- Administrative Hearing Commission
- Division of General Services
- Division of Budget and Planning

Office of State Courts Administrator
Department of Economic Development
Department of Elementary and Secondary Education
Department of Transportation
Department of Insurance, Financial Institutions, and Professional Registration
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Health and Senior Services
Department of Revenue
Department of Public Safety

- Missouri State Highway Patrol
- Missouri State Water Patrol
- Director’s Office

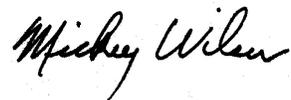
Office of the Governor
Missouri Consolidated Health Care Plan
Department of Conservation
Missouri Ethics Commission
Office of the Lieutenant Governor
Office of Prosecution Services
State Auditor’s Office
Missouri Senate
Office of the Secretary of State
Office of the State Treasurer
City of Centralia
St. Louis County
Jefferson City Police Department
Parkway School District

SOURCES OF INFORMATION (continued)

Metropolitan Community College of Kansas City
Linn State Technical College
Missouri Southern State University
Missouri State University
Missouri Western State University
Northwest Missouri State University
University of Central Missouri

NOT RESPONDING

Department of Agriculture
Office of the State Public Defender
Various Missouri Cities
Various Missouri Counties
Various Public School Districts
Various Public Universities and Colleges
Various Public Hospitals
Various Sheriff's Departments
Various Police Departments



Mickey Wilson, CPA
Director
April 26, 2010