

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6129-04
Bill No.: Perfected HCS for HB 1937
Subject: Property, Real and Personal; Liability
Type: Original
Date: April 23, 2014

Bill Summary: This proposal changes the laws regarding liability of property owners.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2015 | FY 2016 | FY 2017 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2015 | FY 2016 | FY 2017 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2015 | FY 2016 | FY 2017 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2015 | FY 2016 | FY 2017 |
| | | | |
| | | | |
| 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 2015 | FY 2016 | FY 2017 |
| Local Government | (Unknown) | (Unknown) | (Unknown) |

FISCAL ANALYSIS

ASSUMPTION

§§ 537.345, and 537.348 - Property Owner Liability:

Officials at the **Department of Natural Resources**, the **Office of the State Public Defender**, the **Office of Prosecution Services**, the **Department of Agriculture**, the **Office of the State Courts Administrator** and the **Department of Conservation** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **City of Columbia**, the **City of Jefferson**, **St. Louis County**, the **City of Kansas City** and the **St. Louis County Board of Election Commission** each assume no fiscal impact to their respective organizations from this proposal.

In response to similar legislation, HB 1209, officials at the **Office of the Attorney General** assumed that any potential costs arising from this proposal can be absorbed with existing resources.

House Amendment 2: §§ 578.018 -578.030 - Confiscated Animals:

Officials from the **Department of Agriculture (AGR)** assume the fiscal impact to the department is unknown.

AGR assumes if the department is designated as the third party approved by the court or required in any way to care for confiscated animals costs to build and maintain such an animal care facility would be approximately \$4.6 million as described in the department's response to similar legislation (HB 785) in 2013.

AGR assumes any political subdivision impounding animals for the purposes of ensuring their protection from abuse, neglect, or cruelty would be impacted by additional costs of keeping and caring for the animals.

AGR assumes this proposal could require the AGR, Animal Care Facilities Act Program, to expand the program by constructing and staffing a shelter for animals taken under the authority of a warrant for the purpose of care and maintenance of the animals pending acquittal, conviction, or final discharge of the owner.

AGR assumes an average of six (6) warrants per year are issued under 578.018 with an average of 75 animals per incident totaling 450 animals per year.

ASSUMPTION (continued)

AGR assumes this proposal would require an animal shelter with a holding capacity of 450 animals at a cost of \$4,566,903 to be built, plus operating and maintenance costs in FY 2015. FTE and maintenance costs would be \$654,251 in FY 16 and \$661,284 in FY 17. These costs include one (1) Veterinarian I, nine (9) Animal Health Officers, and one (1) administrative assistant to staff the shelter and carry out the provisions of this proposed legislation.

AGR assumes all animals would be affected (e.g. horses, cows, exotic animals, etc.). However, the estimated costs are based on dogs only. Total costs for all species are unknown.

AGR notes, the state of Missouri has 248 municipal or local government dog pounds, 294 non-profit licensees listed as animal shelters, contract kennels, or rescues, and one for profit animal shelter.

Oversight assumes under current law, AGR, along with local law enforcement, facilitate the removal and placement of animals subject to a warrant and seizure. This proposal requires an initial disposition hearing within the first 10 days of the confiscation by the authority through which the warrant was issued.

Oversight assumes this proposal requires reasonable bond or security by the animal owner to be posted within 72 hours of the disposition hearing for all animal board costs while the animal is held in custody until final disposition or dismissal of the case. Upon conviction the animal owner is liable for all costs related to the removal and care of the animal.

Oversight assumes any confiscated animal care costs, should the animal owner be acquitted, has an inability to pay before the initial disposition hearing, or upon conviction, would be incurred by veterinarians, local government dog pounds, animal shelters, animal rescue facilities, or another third party with existing animal care facilities approved by the court.

For the purpose of the fiscal note, **Oversight** will assume an unknown cost to local government dog pounds, shelters, and rescues as a result of this proposal.

Officials from the **Cole County Sheriff Department** state under this proposal if the owner of the animal is responsible for the board of the animal it would be no fiscal impact to the county. However, if the county is responsible for the cost of boarding animals for enforcing state law, the proposal would result in a significant fiscal impact.

ASSUMPTION (continued)

Officials from **St. Louis County** assume if an animal owner is acquitted, gets a suspended imposition of sentence, or is found not guilty in a criminal trial of abuse or neglect on animals that they have previously paid a bond bill to Saint Louis County after the 10 day disposition hearing, they are entitled to the animals and or their value back from this proposal. These cases can take months to a year to go to trial and would result in additional costs to St. Louis County.

Bill as a Whole:

Officials at the **Department of Corrections (DOC)** assumes the penalty provisions, the component of the bill to have potential fiscal impact for DOC, is for up to a class A misdemeanor. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

DOC states if additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY13 average of \$5.07 per offender, per day or an annual cost of \$1,851 per offender).

DOC states supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent clients are charged with the proposed new crime of intentionally euthanizing, or sterilizing animals unlawfully seized or removed from an owner until the final disposition of the charges against the owner. This would be a new Class B misdemeanor. Subsequent offenses would be a Class A misdemeanor.

SPD assumes while the number of new cases may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** state 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 SOS 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, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **Office of Attorney General (AGO)** assumes that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Health and Senior Services**, the **Office of State Courts Administrator**, the **Office of Prosecution Services**, the **Missouri State Highway Patrol**, the **Joint Committee on Administrative Rules**, and the **Jefferson City Police Department** each assume the proposal would not fiscally impact their respective agencies.

| <u>FISCAL IMPACT - State Government</u> | FY 2015 (10 Mo.) | FY 2016 | FY 2017 |
|---|-------------------------|-------------------------|-------------------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>FISCAL IMPACT - Local Government</u> | FY 2015 (10 Mo.) | FY 2016 | FY 2017 |
| LOCAL GOVERNMENT FUNDS | | | |
| <u>Revenue - Animal Rescue Facilities</u> §§ 578.018 and 578.030 - Bond or security for animal care costs from the animal owner | Unknown | Unknown | Unknown |
| <u>Cost - Animal Rescue Facilities</u> §§ 578.018 and 578.030 - Care of animals held till final disposition of charges and acquittal or inability to pay | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON LOCAL GOVERNMENT FUNDS | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |

FISCAL IMPACT - Small Business

This proposal would provide small business livestock farmers, livestock facilities, and livestock auction markets an expanded limited liability for livestock activities, which may lower their insurance rates and provide them protection in a lawsuit.

FISCAL DESCRIPTION

This proposal changes the laws regarding the confiscation of animals.

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 Corrections
Office of the Secretary of State
Attorney General's Office
Department of Health and Senior Services
Department of Public Safety - Missouri Highway Patrol
Joint Committee on Administrative Rules
Department of Conservation
Department of Natural Resources
Department of Agriculture
Office of the State Public Defender
Office of Prosecution Services
City of Columbia
City of Jefferson
St. Louis County
City of Kansas City
St. Louis County Board of Election Commission
Cole County Sheriff Department
Jefferson City Police Department



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