

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0263-01
Bill No.: HB 193
Subject: Attorney General: Crimes and Punishment
Type: Original
Date: January 26, 2001

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|---|-------------------------|-------------------------|-------------------------|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 |
| State Road | (\$0 to Unknown) | (\$0 to Unknown) | (\$0 to Unknown) |
| | | | |
| Total Estimated Net Effect on <u>All</u> State Funds | (\$0 to Unknown) | (\$0 to Unknown) | (\$0 to Unknown) |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 |
| Local Government | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Divisions of Accounting and Design and Construction, Office of the Attorney General, the State Courts Administrator, and the Department of Natural Resources** assume the proposed legislation would have no fiscal impact on their agencies or that additional duties could be absorbed within existing resources.

Officials from the **Department of Transportation (DHT)** assume such an action would be brought as a result of a claim made against the Missouri Highway Transportation Commission or one actually paid, it could be one of the following: contractor claims, claims arising from purchase of materials or services by General Services, claims arising from condemnation as to the value of property, claims for personal injury in a general liability/fleet vehicle liability case. If the claim is one by a contractor on a construction project that is federally funded and some of that payment is later recovered, then DHT could be obligated to repay to the Federal Highway Administration a portion of the recovery equal to the federal share percentage for construction of the project. Since recovered moneys would be credited to the General Revenue Fund and repayments would be made from the State Road Fund, the result would be a loss to the Road Fund. Overall, DHT cannot estimate the number or amount of claims. Therefore, the fiscal impact on DHT cannot be determined.

| <u>FISCAL IMPACT - State Government</u> | FY 2002 (10 Mo.) | FY 2003 | FY 2004 |
|--|--------------------------------|--------------------------------|--------------------------------|
| STATE ROAD FUND | | | |
| <u>Cost</u> - Repayments of recovered claims to the Federal Highway Administration | (\$0 to Unknown) | (\$0 to Unknown) | (\$0 to Unknown) |
| ESTIMATE NET EFFECT ON STATE ROAD FUND | <u>(\$0 to Unknown)</u> | <u>(\$0 to Unknown)</u> | <u>(\$0 to Unknown)</u> |
| <u>FISCAL IMPACT - Local Government</u> | FY 2002 (10 Mo.) | FY 2003 | FY 2004 |
| | \$0 | \$0 | \$0 |

FISCAL IMPACT - Small Business

Small businesses could be affected by the cause of action created by this proposal.

DESCRIPTION

The proposal would create a cause of action for defrauding the state of Missouri. Any person who knowingly presented a false claim, bill, or receipt to the state, or knowingly made or used a false record to conceal, avoid, or decrease an obligation to the state would be liable to the state for a civil fine of up to \$10,000, plus 3 times the actual damages incurred by the state.

The Office of the Attorney General would investigate claims. However, an individual could bring suit in the name of the state. The Attorney General would have 180 days to join the suit. If the Attorney General joined the suit, the action would be pursued solely by the Attorney General, with notice provided to the individual. The court could award the individual a reasonable amount for disclosing evidence the state did not have when the action was brought, up to 25% of the proceeds collected by the state. If the Attorney General did join the suit and the individual plaintiff prevailed, the individual may be awarded between 25% and 35% of the civil fines and damages assessed to the defendant, as well as the individual's attorney fees and court costs. The state would not be bound by any act of the individual nor be liable for the individual's attorney fees or court costs.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Office of Administration - Divisions of Accounting and Design and Construction
Office of the Attorney General
Office of the State Courts Administrator
Office of the State Treasurer
Department of Natural Resources
Department of Transportation



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Director
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