

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4268-01
Bill No.: HB 1415
Subject: Liability; Public Officers; General Insurance; Office of Administration
Type: Original
Date: February 20, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
State Legal Expense	Unknown	Unknown	Unknown
Conservation	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

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 Administration (COA)** state the state legal expense fund, pursuant to Section 105.711, RSMo, provides for the payment of any claim or final judgment against the state pursuant to Section 536.600. The fund also extends coverage to agents, officers, and employees of the state for conduct arising out of and performed in connection with his/her official duties with limitations to economic damages to any one claimant and up to \$350,000 for noneconomic damages. The state legal expense fund shall be the exclusive remedy. Therefore, the proposed legislation appears to have no impact on COA.

Officials from the **Department of Conservation** assume the proposed legislation could have a positive impact on MDC funds by capping the financial liability for tort claims beyond current protections. The exact amount of impact is unknown.

Officials from the **Jefferson County** assume the proposal could reduce liability insurance rates. The amount is Unknown.

ASSUMPTION (continued)

Officials from the **Hickory County** assume the proposal would result in a savings from a reduction of liability insurance premiums, but the exact amount cannot be estimated at this time.

Oversight assumes the proposal could result in a savings to the state legal expense fund due to the cap on liability. Oversight assumes political subdivisions could also experience a savings.

Oversight sent the request for fiscal impact to all cities and counties who receive electronic requests from Oversight. No other cities or counties responded to Oversight's request.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
STATE LEGAL EXPENSE FUND			
<u>Savings</u> – Cap on Liability	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON STATE LEGAL EXPENSE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
CONSERVATION FUND			
<u>Savings</u> – Cap on Liability	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON CONSERVATION FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
POLITICAL SUBDIVISIONS			
<u>Savings</u> – Reduced liability insurance premiums	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</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 limits the liability for any claim against the state or its public entities and employees involving a motor vehicle operated within the scope of employment or for any claim arising out of any dangerous condition of property the agent, officer, or employee allegedly caused. The maximum liability for all claims against entities or employees will be \$2 million; the liability for any one person is limited to \$300,000. The maximum award for any claim brought against an agent, officer, or employee of the state arising out of the same accident will be reduced by any amount paid toward the claim by the state, its public entities, any agents, officers or employees, or any person acting on their behalf.

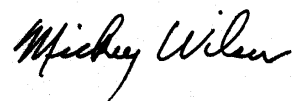
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration
Office of State Courts Administrator
Department of Conservation
Jefferson County
Hickory County

NOT RESPONDING

Office of the Attorney General
Department of Transportation
Cities
Counties



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February 20, 2006

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