

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1744-01  
Bill No.: HB 763  
Subject: Courts; Employees – Employers; Employment Security  
Type: Original  
Date: March 26, 2007

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Bill Summary: The proposal requires a writ of garnishment to be returned twelve months after filing the request for the writ.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Special Employment Security	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Unemployment Compensation	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Office of Administration – Administrative Hearing Commission**, and the – **Division of Accounting** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of the Attorney General** assume any potential costs arising from this proposal can be absorbed within existing resources.

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

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume the proposal would require all garnishments of wages be twelve months in duration.

The DOLIR's Division of Employment Security (division) filed approximately 2,788 wage garnishments during calendar year 2006 and collected approximately \$2,118,843. These garnishments were for 180 days or less. The division issues wage garnishments for periods of 30, 60, 90, or 180 days. The division will run a garnishment for less than 180 days when the amount of debt does not warrant a longer garnishment. These time frames are within the Missouri Supreme Court Rule 90.029(d) which allows garnishments to run for 30, 60, 90, 120, 150, or 180 days. Increasing the garnishment period to twelve months would delay the division from receiving approximately \$2,000,000 for six months. This proposed legislation would also cause the division to lose a substantial amount of this money when employers close their businesses, or file bankruptcy, before paying the money to the court.

The division is assuming it will continue to issue approximately 2,788 wage garnishments for each calendar year with \$2,118,843 estimated to be collected. If this proposed legislation was enacted, the division could lose a substantial amount of this money when employers close their businesses, or file bankruptcy, before paying the money to the court. The division assumes an unknown negative fiscal impact to the Special Employment Security Fund and the Unemployment Compensation Trust Fund, a federal fund.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>SPECIAL EMPLOYMENT SECURITY FUND</b>			
<u>Losses</u> – Department of Labor and Industrial Relations			
Reduced wage garnishments	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON SPECIAL EMPLOYMENT SECURITY FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>UNEMPLOYMENT COMPENSATION TRUST FUND</b>			
<u>Losses</u> – Department of Labor and Industrial Relations			
Reduced wage garnishments	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON UNEMPLOYMENT COMPENSATION TRUST FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

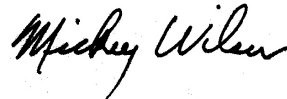
### FISCAL DESCRIPTION

The proposed legislation requires a writ of garnishment to be returned twelve months after filing the request for the writ.

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 Attorney General  
Office of Administration  
    – Division of Accounting  
    – Administrative Hearing Commission  
Office of State Courts Administrator  
Department of Labor and Industrial Relations



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Director  
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