

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1786-01  
Bill No.: HB 876  
Subject: Liability; Civil Procedure; Courts; Department of Transportation  
Type: Original  
Date: March 6, 2017

---

Bill Summary: This proposal repeals the provision requiring arbitration, if requested by a plaintiff, in a negligence action against the Department of Transportation.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
State Road Fund	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Greater than \$100,000</b>	<b>Greater than \$100,000</b>	<b>Greater than \$100,000</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Transportation (MoDOT)** state the Chief Counsel's Office is responsible for providing the legal defense to lawsuits filed by tort claimants against the Commission and Department, as well as arbitration proceedings resulting therefrom. Repealing section 226.095, as stated in this proposal, would prohibit the involuntary submission of the Commission to mandatory binding arbitration at the sole request of a tort claimant. Instead, the Commission would be restored to the same position as all other state agencies in Missouri, and all other Departments of Transportation in the United States, which are not required to submit to mandatory binding arbitration at the sole request of a tort claimant. The Commission would be able to demand and receive a jury trial.

In calendar year 2016, MoDOT's total expenses in tort claims was \$8.5 million. This amount includes payments made to tort claimants due to settlements, judgments, arbitrator awards and costs related to MoDOT's defense of tort claims (these figures do not include MoDOT's overhead costs).

**Oversight** assumes there will be a savings to the State Road Fund and will reflect a fiscal impact of "Greater than \$100,000."

Officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Office of the State Courts Administrator** assume the proposal will have no fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>STATE ROAD FUND</b>			
<u>Savings</u> - MoDOT - ability to receive jury trial vs. mandatory binding arbitration	Greater than <u>\$100,000</u>	Greater than <u>\$100,000</u>	Greater than <u>\$100,000</u>
<b>ESTIMATED NET EFFECT ON THE STATE ROAD FUND</b>	<b>Greater than <u>\$100,000</u></b>	<b>Greater than <u>\$100,000</u></b>	<b>Greater than <u>\$100,000</u></b>

FISCAL IMPACT - Local Government

FY 2018  
(10 Mo.)

FY 2019

FY 2020

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

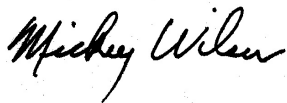
FISCAL DESCRIPTION

This bill repeals the provision requiring mandatory arbitration upon request of the plaintiff in a negligence action against the Department of Transportation.

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

Department of Transportation  
Attorney General's Office  
Office of the State Courts Administrator



Mickey Wilson, CPA  
Director  
March 6, 2017

Ross Strobe  
Assistant Director  
March 6, 2017