

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2219-01
Bill No.: HB 1063
Subject: Bonds - Bail; Courts
Type: Original
Date: March 4, 2019

Bill Summary: This proposal modifies provisions relating to bail bonds.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)
Total Estimated Net Effect on General Revenue	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints of less than 48 hours, the agencies had limited time to review this legislation and **Oversight** performed a limited analysis. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials at the **Office of the State Courts Administrator (OSCA)** assume the proposed HB 1063 requires the state courts administrator to approve private pretrial court services companies contracted by the court. The fiscal impact resulting from such approval, including FTE and dollars, will vary depending on whether the language contemplates a vendor list process, some level of certification or licensing, or some other process. Additionally, the bill designates the courts as the "legally responsible surety for the full amount of the bond set, subject to the same procedures and penalties as required by professional surety agents." If this bill contemplates the court acting in the role of surety to ensure the principal appears, then this may result in a conflict. In addition to the potential conflict of interest for the court, a significant fiscal impact could arise at the full amount of bonds set across the state. Further, additional FTE may be required to administer this bonding responsibility to ensure the same procedures as professional surety agents are followed.

Accordingly, Fiscal Note Number 2219-01, House Bill 1063 will have some significant fiscal impact, but there is no way to quantify that currently. Any such impacts will be reflected in future budget requests.

Oversight notes that there may be unknown costs because of §544.455.1(5) which states that once the court accepts 10% of a cash bond, the court will be designated as the legally responsible surety for the full amount of the bond set and upon judgment of a bail bond forfeiture, moneys shall be dispersed in the same manner as a judgment that is paid by a professional surety. In addition, Oversight also notes there may be additional unknown costs from this proposal from §544.455.1(4) which states a private pretrial court services company may be contracted by the court and has to be approved by OSCA. Therefore, Oversight will reflect a unknown cost that is greater than \$100,000 for this proposal.

Officials at the **Department of Insurance, Financial Institutions and Professional Registration** assume no fiscal impact from this proposal.

ASSUMPTION (continued)

Oversight notes that the Department of Insurance, Financial Institutions and Professional Registration has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
<u>Cost</u> - OSCA - contract with private pre-trial court services company and potential liability for forfeited bonds	(Unknown, greater than <u>\$100,000</u>)	(Unknown, greater than <u>\$100,000</u>)	(Unknown, greater than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(Unknown, greater than <u>\$100,000</u>)	(Unknown, greater than <u>\$100,000</u>)	(Unknown, greater than <u>\$100,000</u>)
<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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 appears to have no direct fiscal impact.

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

L.R. No. 2219-01
Bill No. HB 1063
Page 5 of 5
March 4, 2019

SOURCES OF INFORMATION

Office of the State Courts Administrator
Department of Insurance, Financial Institutions and Professional Registration



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March 4, 2019

Ross Strobe
Assistant Director
March 4, 2019