

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5667H.011
Bill No.: HB 2788
Subject: Marriage and Divorce; Property, Real and Personal; Estates, Wills and Trusts;
Uniform Laws
Type: Original
Date: March 11, 2024

Bill Summary: This proposal establishes the "Uniform Community Property Disposition at Death Act".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§474.700, 474.703, 474.706, 474.709, 474.712, 474.715, 474.718, 474.721, 474.724, 474.727, 474.730, 474.733, 474.736, 474.739, 474.742 & 474.745 – Uniform Community Property Disposition at Death Act

Officials from the **Department of Social Services**, the **Department of Commerce and Insurance** and the **State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the Office of the State Courts Administrator did not respond to **Oversight's** request for fiscal impact for this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Because a business is included in the definition of a person within this proposal, small businesses may be impacted from this proposal.

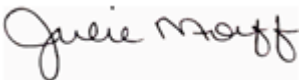
FISCAL DESCRIPTION

This bill creates the "Uniform Community Property Disposition at Death Act", which applies to certain property of a community-property spouse, as defined in the bill. If community-property spouses acquired community property by complying with the law of a jurisdiction that allows for creation of community property by transfer of property to a trust, this Act applies to the property only to the extent the property is held in the trust or characterized as community property by the terms of the trust or the law of the jurisdiction under which the trust was created. Community-property spouses domiciled in this state can partition or reclassify property that would otherwise fall under the Act. Half of the property to which the Act applies belongs to the surviving community-property spouse and is not subject to disposition by the decedent at death, and the other half of the property belongs to the decedent and is subject to disposition by the decedent at death. An heir, devisee, or non-probate transferee of a deceased community-property spouse has the ability to assert a claim for relief with respect to a right under the Act according to the rules provided in the bill.

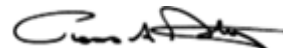
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Department of Commerce and Insurance
State Tax Commission
Office of the Secretary of State



Julie Morff
Director
March 11, 2024



Ross Strobe
Assistant Director
March 11, 2024