

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0162H.04I
 Bill No.: HB 953
 Subject: Courts; Crimes and Punishment; Criminal Procedure
 Type: Original
 Date: February 24, 2025

Bill Summary: This proposal modifies provisions relating to proceedings resulting from criminal conduct.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
General Revenue	Up to (\$40,792,266)	Up to (\$84,999,880)	Could exceed (\$85,669,506)	Likely to exceed (\$84,919,506)
Total Estimated Net Effect on General Revenue	Up to (\$40,792,266)	Up to (\$84,999,880)	Could exceed (\$85,669,506)	Likely to exceed (\$84,919,506)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
Missouri Expungement Fund*	\$0	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0

*Transfer-In and expenses net to zero.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
Missouri Expungement Fund	Up to 407 FTE	Up to 801 FTE	Could exceed 801 FTE	Could exceed 801 FTE
Total Estimated Net Effect on FTE	Up to 407 FTE	Up to 801 FTE	Could exceed 801 FTE	Could exceed 801 FTE

- 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 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
Local Government*	\$0	\$0	\$0	(Unknown)

*Oversight assumes the fiscal impact could reach the \$250,000 threshold.

FISCAL ANALYSIS

ASSUMPTION

§§565.030, 610.141, 610.142, 610.143, and 610.144 – Proceedings from criminal conduct

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** state currently, there are approximately 10,750,000 conviction records in the Traffic Arrest System/Driving While Intoxicated Tracking System (TAS/DWITS) that could possibly meet the criteria of this proposed legislation. This does not include driving while intoxicated-related offenses as these are excluded from expungement pursuant to §610.140. These expungements are processed by the Patrol Records Division. In addition, the MHP anticipates receiving over 380,000 Criminal History Records System expungement requests per year. These requests are processed within the Patrol by the Criminal Justice Information Services (CJIS) Division. Once the court expungement order is received by the MHP, the Patrol Records Division and the CJIS Division personnel would be required to make certain the individual(s) meets the criteria for expungement noted in this legislation. There are not enough existing Patrol personnel to handle the potential increased volume of expungement requests resulting from this proposed legislation. The Patrol is factoring a range as for the number of personnel needed in order to provide an idea of what the costs may be. In addition, there is an average of 300,000 court dispositions with the offense class of misdemeanor, infraction, or local ordinance and a finding of guilty or guilty-SIS added to TAS/DWITS each year.

The Patrol anticipates the need to begin the design and build process for the technical interface with the courts in FY26. Due to the complexity of the new criminal history system build project, it is anticipated the project could take up to three (3) years to build to be ready for the August 28, 2028, implementation, with an estimated appropriated need of between \$500,000 and \$750,000 for each of the three (3) fiscal years. This would include the extensive testing needed for the interface and training of new Patrol personnel on the system. Due to the large volume of records, the Patrol will also need to start the process of hiring and training personnel in FY26 in an effort to be prepared for the implementation as required in Sections 610.141.2(1) and 610.141.3(2). Included within the costs would be leased space, a computer system software upgrade, and expense and equipment such as office equipment and computers.

The Patrol will process the requested expungements within two separate divisions. Those divisions are identified as the Patrol Records Divisions (PRD) and the Criminal Justice Information Services (CJIS) Division. Each division is tasked with varying processes for each expungement type.

The MHP calculates that one (1) Patrol Records Division (PRD) FTE can process approximately 3,728 expungements per year. Considering this bill automates the expungement process and excludes the filing of a petition for expungement, a 15% or more expungement of records is realistic. With the current 10,750,000 records possibly eligible for expungement, the following

percentages of persons actually receiving an expungement will directly relate to the number of Patrol Records Division FTEs required:

$$\begin{aligned} 1\% &= 10,750,000 \times .01 = 107,500 / 3,728 = 29 \text{ FTEs} \\ 5\% &= 10,750,000 \times .05 = 537,500 / 3,728 = 144 \text{ FTEs} \\ 10\% &= 10,750,000 \times .10 = 1,075,000 / 3,728 = 288 \text{ FTEs} \\ 15\% &= 10,750,000 \times .15 = 1,612,500 / 3,728 = 432 \text{ FTEs} \end{aligned}$$

One (1) Criminal Justice Information Services Division (CJIS) FTE can process approximately 1,920 expungement orders per month. Based upon recent data, the CJIS Division estimates receiving 32,000 expungement orders per month ($32,000/1,920 = 16.67$ FTE). With this data, the MHP anticipates needing seventeen (17) additional FTE within the CJIS Division Technicians to process the potential expungements along with two (2) CJIS Supervisors and one (1) Program Manager for a total of 20 FTE.

The MHP states without space available for the additional personnel needed to fulfill the requirements of this legislation, the MHP would need leased space for the additional employees. A cost range is based on existing leased space in Cole County. In looking at existing leased space, the range would be from \$9.11/square foot to \$11.50/square foot. For 175 employees, approximately 37,188 square feet would be needed ($175 \text{ employees} \times 212.5 \text{ square feet}$) and for 501 employees, approximately 106,463 square feet would be needed ($501 \text{ employees} \times 212.5 \text{ square feet}$). Therefore, the total estimated annual leasing costs in Cole County for 175 FTE would be between \$338,783 and \$427,662. The estimated annual leasing costs for 501 FTE would be between \$969,878 and \$1,224,325.

Oversight notes the MHP assumes it could hire up to 501 FTE in total (432 PRD FTE + 43 PRD Supervisor FTE + 17 CJIS FTE + 9 program manager/supervisor/assistant director and maintenance FTE = 501 FTE) and will range associated costs as “up to” the estimates provided. However, Oversight assumes the MHP would not hire up to 501 FTE in the first year of the proposal. Oversight assumes, instead, that the MHP will hire up to 250 FTE in FY2026 to train and begin the process of identifying records eligible for expungement on/before August 28, 2025, and further assumes MHP will hire up to 251 FTE in FY2027. Oversight also assumes leased space will be needed as well as equipment and expense and will present approximately half of the costs estimated by MHP for each year.

Oversight notes the provisions of this bill state beginning August 28, 2028, all electronic records and files pertaining to clean slate eligible offenses shall be closed in the manner established under §610.120 without filing of a petition. In addition, beginning August 28, 2028, on a monthly basis, the Office of the State Courts Administrator (OSCA) is to identify and transmit eligible expungements to the Central Repository within 30 days of the record becoming eligible for expungement. Digital records that are eligible for expungement on or before August 28, 2025, shall be identified and expunged by August 28, 2030. Therefore, Oversight will reflect a cost of up to \$750,000 annually from FY 2026 through FY 2028 for this technical interface.

Officials from the **Office of State Courts Administrator (OSCA)** state the fiscal impact on Show-Me Courts and possibly other systems would be approximately \$3,000,000 to \$5,000,000 to develop with an annual cost of approximately \$1,000,000 to manage the system.

OSCA notes the proposed legislation includes directives to the State Courts Administrator that would require no less than 13 FTE with a personal services cost of \$903,148, fringe benefit costs of \$557,062 and expense and equipment costs of \$263,548 (\$136,006 one-time cost), for a total cost of approximately \$1,723,758.

Additionally, a minimum of \$12,710,174 personal service costs for 287 FTE court clerks or equivalent at OSCA plus \$854,686 (\$607,579 one-time cost) E&E totaling \$13,564,860 would be needed to process the approximate electronic expungement cases, to an unknown amount of FTE. (Oversight calculated fringe benefit costs for 287 FTE.)

Oversight has no information to the contrary. Oversight assumes OSCA would hire the 13 FTE needed to create and establish the program as well as the \$3,000,000 to \$5,000,000 to develop the program in FY2026.

Oversight assumes the OSCA would not hire 287 court clerk FTE in FY2026. For fiscal note purposes, Oversight will present OSCA as hiring up to 144 FTE for FY 2026 and the additional 143 FTE in FY2027. FTE and costs for FY2028 will be presented as “Could exceed...” as OSCA states the court clerk FTE are considered a minimum. Oversight notes total personal services, fringe benefit and E&E costs for **FY2026** are presented as \$6,066,943 PS (13 FTE + 144 FTE = 157 FTE); \$4,134,238 FBs (FBs for 13 FTE + FBs for 144 FTE); and \$650,459 (E&E for 13 FTE + E&E 144 FTE).

Oversight notes §610.144 establishes a new fund which consists of moneys appropriated by the General Assembly to the fund or any gifts, bequests, or grants. The Department of Public Safety, the Information Services Division within the Office of Administration and Office of the State Courts Administrator will be able to expend moneys from this fund, upon appropriation, for implementation costs, system upgrades or staffing needs incurred under §§610.141 to 610.143. For fiscal note purposes, Oversight will reflect the cost for this program as **(Up to \$40,792,266) for FY2026; (Up to \$84,999,880 for FY2027); (Could exceed \$85,699,506) for FY2028; and (Likely to exceed \$84,919,506) for FY2029** to the General Revenue Fund. Additionally, Oversight also assumes an unknown income to the Missouri Expungement Fund from gifts, grants, or donations.

For fiscal note purposes, Oversight assumes services provided under this proposal will equal income and net to zero.

Officials from the **Department of Corrections (DOC)** state this proposal modifies provisions relating to proceedings resulting from criminal conduct.

Expunging these records for the specified offenses in section 610.141, through destruction or removal will result in an increase in workload for their Institutional Records Officers, as they are the custodian of records for their offender files. This may also affect records kept at Probation and Parole Offices.

While the department assumes a \$0 to Unknown impact, there is some concern for tracking previous medical, mental health, substance use treatment, and education records should the offender return to supervision by the department.

If there should be a significant number of additional requests for expungement or a significant expansion in the number of offenses that could be expunged, it could result in additional costs to the DOC.

Oversight does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect a \$0 (can absorb) to DOC's (unknown) impact to the General Revenue Fund beginning FY 2029 since §610.141 provides that records will be closed beginning August 28, 2028.

Officials from the **Department of Revenue (DOR)** state §610.141.2(2) provides that records pertaining to juvenile adjudications or offenses involving the operation of a motor vehicle are not eligible for automated expungement. The department anticipates that it would continue to receive court orders of expungement for any conviction or action related to these sections to be reviewed and processed manually by the DOR; §610.141.3(10) states the DOR has thirty (30) days to expunge the records once the order is received from the court; and §610.141.6 states that the provisions of this section shall apply retroactively.

Administrative Impact

With the statutory requirement of thirty (30) days to process the expungement, and the provisions applying retroactively, the department is concerned that its existing staff may not be able to process the volume of orders in the mandated timeframe. There is no data to assist in determining the volume of orders the department will receive but anticipate it will not cause additional FTE. If the increase is more significant than anticipated, and unable to be absorbed by existing staff, additional FTE may be requested through the routine appropriations process.

Section 610.141(3) allows the State Court Administrator to request an income tax offset for any delinquent court costs, fines, fees or other court related costs.

The Department is required by statute to have a program that allows us to redirect a refund payment owed to a taxpayer to an approved organization that the taxpayer owes an outstanding debt (debt offset program). Currently, per statute the program collects for the IRS, Missouri state agencies, Missouri housing authorities and community college districts. This proposal will expand the Department's program to require they add municipalities (cities and counties) with populations over 250,000. This would add the counties and the city of St. Louis and Kansas City

to their program.

This will require DOR to update the individual income tax computer system with new codes for these organizations. This is estimated to cost \$15,000.

The way the program works currently is before DOR issues a refund to a taxpayer, DOR checks their name against the debt offset list. Approved organizations send us the name and amounts they are owed. If a refund is owed to a taxpayer who is on an approved organizations list, the refund is redirected to the approved organization. A notice is emailed to the approved organization alerting them that the refund will be redirected to them, and they are provided with a copy of a notice to the taxpayer for them to send. The approved organization then mails the taxpayer the notice of the tax refund being redirected and lets them know their remaining balance.

If a taxpayer owes to more than one approved organization, the refund is applied in the following order until their debt with that organization is paid off. DOR has also included the amount DOR collected in calendar year 2024:

MO Department of Revenue Income Tax Debts - \$32,106,328
MO State Agencies - \$17,280,956
MO College (including community colleges) - \$5,230,443
MO Housing Authorities - \$132,326
Kansas Dept. of Revenue – Department has a reciprocal agreement - \$570,571
Counties and Cities would be added to the end of the list.

During 2022 – 2024, the IRS asked DOR not to do debt offsets on their behalf. DOR will be restarting those collections in 2025. They will receive their amounts after the DOR Income Tax Debts and before other state agencies.

The Department notes that most refund payments do not make it very far down the list of approved organizations.

Oversight assumes DOR is provided with core funding to handle a certain amount of computer programming activity each year. Oversight assumes DOR could absorb the programming costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Officials from the **Office of Administration (OA)** assume the proposal will have no fiscal impact on their organization. OA states from the plain language of this bill, it appears that a state agency obtaining a credit report could be a “user of information”. However, the violation identified in section 610.144 for which a penalty could be assessed is only for improperly “reporting” an arrest, indictment or conviction. A state agency using information from a credit agency would not appear to be “reporting” that information. Therefore, OA assumes that there

would be no impact from this bill. If OA's interpretation of this provision is incorrect, fiscal impact to the LEF could result.

Officials from the **City of Kansas City** state the proposed legislation will have a negative fiscal impact of an indeterminate amount.

Officials from the **Branson Police Department** anticipate that this will force their agency to hire an additional Records Clerk to research and complete all automatic expungement orders. With salary and benefits, this will cost the agency over \$70,000 and does not factor in the additional time of a Records Supervisor or PD Command level officer to review and make final determinations on the expungement orders.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Department of Commerce and Insurance**, the **Department of Labor and Industrial Relations**, the **Department of Social Services**, the **Missouri Department of Transportation**, the **Missouri Lottery Commission**, the **Missouri Office of Prosecution Services**, the **Office of the Governor**, the **Office of the State Public Defender**, the **Office of the State Treasurer**, the **Phelps County Sheriff's Department**, the **Kansas City Police Department**, and the **Springfield Police Department** 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 **Department of Public Safety - Office of the Director** defer to the **Department of Public Safety - Missouri Highway Patrol** for the potential fiscal impact of this proposal.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities, circuit clerks, county prosecutors, and local law enforcement were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2029)
GENERAL REVENUE				
<u>Cost – DOC</u> (\$610.141) Expungement of records p. 5-6	\$0	\$0	\$0	\$0 to (Unknown)
<u>Transfer Out – To the Missouri Expungement Fund</u> p. 5	Up to (\$40,792,266)	Up to (\$84,999,880)	Could exceed (\$85,669,506)	Likely to exceed (\$84,919,506)
ESTIMATED NET EFFECT ON GENERAL REVENUE	Up to (\$40,792,266)	Up to (\$84,999,880)	Could exceed (\$85,669,506)	Likely to exceed (\$84,919,506)
MISSOURI EXPUNGEMENT FUND				
<u>Income – Gifts, grants, donations</u> (\$610.144) p. 5	\$0	\$0	\$0 to Unknown	\$0 to Unknown
<u>Transfer In – from General Revenue</u> (\$610.141 – 610.144) p. 5	Up to \$40,792,266	Up to \$84,999,880	Could exceed \$85,669,506	Likely to exceed \$84,919,506
<u>Cost – MHP</u> (\$610.141 to 610.144) p. 3-4	Up to...	Up to...	Could exceed...	Likely to exceed...
Personal Service	(\$12,109,910)	(\$29,645,060)	(\$30,237,961)	(\$30,237,961)
Fringe Benefits	(\$11,010,330)	(\$26,953,288)	(\$27,492,354)	(\$27,492,354)
Exp. & Equip.	(\$560,250)	(\$560,250)	\$0	\$0

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2029)
Criminal Records System Updates	(\$750,000)	(\$750,000)	Up to (\$750,000)	\$0
Leased office space	(\$510,135)	(\$1,224,325)	(\$1,224,325)	(\$1,224,325)
Total Cost – MHP	(\$24,940,625)	(\$59,132,923)	(\$59,704,640)	(\$58,954,640)
FTE Change – MHP	Up to 250 FTE	Up to 501 FTE	Up to 501 FTE	Up to 501 FTE
<u>Cost – MHP - Criminal Records System Updates</u>	(\$750,000)	(\$750,000)	Up to (\$750,000)	\$0
<u>Cost – OSCA (§§610.141 to 610.144) p. 5</u>	Up to...	Up to...	Could exceed...	Likely to exceed...
Personal Service	(\$6,066,943)	(\$13,885,492)	(\$14,163,204)	(\$14,163,204)
Fringe Benefits	(\$4,134,239)	(\$10,296,592)	(\$10,411,877)	(\$10,411,877)
Exp. & Equip.	(\$650,459)	(\$684,873)	(\$389,785)	(\$389,785)
Total Cost - OSCA	(\$10,851,641)	(\$24,866,957)	(\$24,964,866)	(\$24,964,866)
FTE Change - OSCA	Up to 157 FTE	Up to 300 FTE	Could exceed 300 FTE	Could exceed 300 FTE
<u>Cost - OSCA – Show-Me Courts & Other System updates and maintenance p. 5</u>	(\$3,000,000 to \$5,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
ESTIMATED NET EFFECT ON THE MISSOURI EXPUNGEMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change on the Missouri Expungement Fund	Up to 407 FTE	Up to 801 FTE	Could exceed 801 FTE	Could exceed 801 FTE

<u>FISCAL IMPACT</u> <u>– Local</u> <u>Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2029)
LOCAL POLITICAL SUBDIVISIONS				
Cost – (\$610.141) Increase in claims and/or costs to expunge records p. 8	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

PROCEEDINGS RESULTING FROM CRIMINAL CONDUCT

Currently, in a criminal prosecution for murder in the first degree, the court must instruct the jury that, in the event it cannot reach a consensus on punishment, the court may assess punishment including death. This bill repeals that provision and provides a procedure for when a jury cannot reach a unanimous decision on punishment.

The bill also establishes an automatic record-clearing process, beginning August 28, 2028, for closing of records pertaining to a "clean slate eligible offense", which is an offense not excluded from eligibility for expungement and offenses for which the Governor has granted a full pardon. An individual can be granted more than one expungement under this bill, subject to specified parameters and exceptions. Beginning August 28, 2028, the Office of State Courts Administrator (OSCA) must identify and transmit to the central repository all records of charges and convictions eligible for expungement within 30 days of the record becoming eligible for automatic expungement. If a record is eligible for expungement on or before August 28, 2025, it must be identified and expunged by August 28, 2030. If a circuit court determines a record is not

eligible for expungement without a petition, the court must notify OSCA within 30 days and specify the reasons upon which the court relied to make the determination.

If a court finds, after a motion, a conviction was improperly or erroneously expunged under this bill, the court must reinstate the conviction.

Beginning August 28, 2028, OSCA must report yearly certain data to the Judiciary committees of the Senate and the House of Representatives. A credit bureau can report records of arrests, indictments pending trial, and convictions for no more than seven years from the date of release or parole. A credit bureau can no longer report such records if at any time after conviction, indictment, or arrest it is learned that a full pardon or expungement has been granted for such conviction.

The bill creates in the State Treasury the "Missouri Expungement Fund", which is a fund dedicated to the creation, operation, and maintenance of the program.

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

Attorney General's Office
Department of Commerce and Insurance
Department of Corrections
Department of Labor and Industrial Relations
Department of Public Safety
Department of Revenue
Department of Social Services
Missouri Department of Transportation
Missouri Lottery Commission
Missouri Office of Prosecution Services
Office of Administration
Office of the State Courts Administrator
Office of the State Public Defender
Office of the State Treasurer
City of Kansas City
Phelps County Sheriff's Department

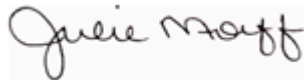
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Police Department
Kansas City Police Department
Springfield Police Department



Julie Morff
Director
February 24, 2025



Jessica Harris
Assistant Director
February 24, 2025