

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1495H.01I  
 Bill No.: HB 707  
 Subject: Crimes and Punishment; Criminal Procedure; Banks and Financial Institutions  
 Type: Original  
 Date: January 30, 2025

Bill Summary: This proposal establishes the offense of financial institution accounts fraud.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2030)
General Revenue	(\$78,637)	(\$192,504)	(\$272,715)	(\$437,951)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$78,637)</b>	<b>(\$192,504)</b>	<b>(\$272,715)</b>	<b>(\$437,951)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2030)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2030)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2030)
General Revenue	0 FTE	0 FTE	0 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 FTE</b>	<b>0 FTE</b>	<b>0 FTE</b>	<b>1 FTE</b>

- 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2030)
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §570.148 – Financial institution accounts fraud

Officials from the **Department of Corrections (DOC)** state this proposal establishes the offense of financial institution accounts fraud.

Section 570.148 is added to create the offense of financial institution accounts fraud. The offense is a class B misdemeanor if the fraud amount is less than five hundred dollars. The offense is a class E felony if the fraud amount is five hundred dollars or more and the person acts with criminal negligence. The offense is a class D felony if the fraud amount is five hundred dollars or more and the person acts recklessly. The offense is a class C felony if the fraud amount is five hundred dollars or more and the person acts knowingly. The offense is a class B felony if the fraud amount is five hundred dollars or more and the person acts purposefully.

Since misdemeanors fall outside the purview of DOC, there is no impact to DOC for the offense resulting in the class B misdemeanor.

The offenses resulting in class B, C, D, and E felonies could be considered new crimes. As there is little direct data on which to base an estimate, the department estimates an impact comparable to the creation of these new class B, C, D, and E felonies.

For each new nonviolent class E felony, the department estimates one person could be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years could be served in prison with 1.4 years to first release. The remaining 1.3 years could be on parole. Probation sentences could be 3 years.

**Change in prison admissions and probation openings with legislation-Class E Felony (nonviolent)**

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
<b>New Admissions</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
<b>Probation</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	2	2	2	2	2	2	2	2	2	2
<b>Change (After Legislation - Current Law)</b>										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations	2	2	2	2	2	2	2	2	2	2
<b>Cumulative Populations</b>										
Prison	1	2	2	2	2	2	2	2	2	2
Parole			1	1	1	1	1	1	1	1
Probation	2	4	6	6	6	6	6	6	6	6
<b>Impact</b>										
Prison Population	1	2	2	2	2	2	2	2	2	2
Field Population	2	4	7	7	7	7	7	7	7	7
<b>Population Change</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>

For each new nonviolent class D felony, the department estimates three people could be sentenced to prison and five to probation. The average sentence for a nonviolent class D felony offense is 5 years, of which 2.8 years could be served in prison with 1.7 years to first release. The remaining 2.2 years could be on parole. Probation sentences could be 3 years.

**Change in prison admissions and probation openings with legislation-Class D Felony (nonviolent)**

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
<b>New Admissions</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	3	3	3	3	3	3	3	3	3	3
<b>Probation</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	5	5	5	5	5	5	5	5	5	5
<b>Change (After Legislation - Current Law)</b>										
Admissions	3	3	3	3	3	3	3	3	3	3
Probations	5	5	5	5	5	5	5	5	5	5
<b>Cumulative Populations</b>										
Prison	3	6	8	8	8	8	8	8	8	8
Parole			1	4	7	7	7	7	7	7
Probation	5	10	15	15	15	15	15	15	15	15
<b>Impact</b>										
Prison Population	3	6	8	8	8	8	8	8	8	8
Field Population	5	10	16	19	22	22	22	22	22	22
<b>Population Change</b>	<b>8</b>	<b>16</b>	<b>24</b>	<b>27</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>

For each new class C felony, the department estimates four people could be sentenced to prison and six to probation. The average sentence for a class C felony offense is 6.9 years, of which 3.7 years could be served in prison with 2.1 years to first release. The remaining 3.2 years could be on parole. Probation sentences could be 3 years.

**Change in prison admissions and probation openings with legislation-Class C Felony**

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
<b>New Admissions</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	4	4	4	4	4	4	4	4	4	4
<b>Probation</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	6	6	6	6	6	6	6	6	6	6
<b>Change (After Legislation - Current Law)</b>										
Admissions	4	4	4	4	4	4	4	4	4	4
Probations	6	6	6	6	6	6	6	6	6	6
<b>Cumulative Populations</b>										
Prison	4	8	12	15	15	15	15	15	15	15
Parole				1	5	9	13	13	13	13
Probation	6	12	18	18	18	18	18	18	18	18
<b>Impact</b>										
Prison Population	4	8	12	15	15	15	15	15	15	15
Field Population	6	12	18	19	23	27	31	31	31	31
<b>Population Change</b>	<b>10</b>	<b>20</b>	<b>30</b>	<b>34</b>	<b>38</b>	<b>42</b>	<b>46</b>	<b>46</b>	<b>46</b>	<b>46</b>

Given the seriousness of class B felony offenses and that the introduction of a completely new class B felony offense is a rare event, the department assumes the admission of one person per year to prison following the passage of the legislative proposal.

Offenders committed to prison with a class B felony as their most serious sentence, have an average sentence length of 9.0 years and serve, on average, 3.4 years in prison prior to first release. The department assumes one third of the remaining sentence length could be served in prison as a parole return, and the rest of the sentence could be served on supervision in the community.

**Change in prison admissions and probation openings with legislation-Class B Felony**

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
<b>New Admissions</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
<b>Probation</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	0	0	0	0	0	0	0	0	0	0
<b>Change (After Legislation - Current Law)</b>										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations										
<b>Cumulative Populations</b>										
Prison	1	2	3	4	5	5	5	5	5	5
Parole						1	2	3	4	4
Probation										
<b>Impact</b>										
Prison Population	1	2	3	4	5	5	5	5	5	5
Field Population						1	2	3	4	4
<b>Population Change</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>9</b>

**Combined Cumulative Estimated Impact**

The combined cumulative estimated impact on the department is 30 additional offenders in prison and 52 additional offenders on field supervision by FY 2030.

**Change in prison admissions and probation openings with legislation**

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
<b>New Admissions</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	9	9	9	9	9	9	9	9	9	9
<b>Probation</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	13	13	13	13	13	13	13	13	13	13
<b>Change (After Legislation - Current Law)</b>										
Admissions	9	9	9	9	9	9	9	9	9	9
Probations	13	13	13	13	13	13	13	13	13	13
<b>Cumulative Populations</b>										
Prison	9	18	25	29	30	30	30	30	30	30
Parole	0	0	2	6	13	18	23	24	25	25
Probation	13	26	39	39	39	39	39	39	39	39
<b>Impact</b>										
Prison Population	9	18	25	29	30	30	30	30	30	30
Field Population	13	26	41	45	52	57	62	63	64	64
<b>Population Change</b>	<b>22</b>	<b>44</b>	<b>66</b>	<b>74</b>	<b>82</b>	<b>87</b>	<b>92</b>	<b>93</b>	<b>94</b>	<b>94</b>

	# to prison	Cost per year	Total Costs for <b>prison</b>	Change in probation & parole officers	Total cost for <b>probation and parole</b>	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	9	(\$10,485)	(\$78,637)	0	\$0	13	(\$78,637)
Year 2	18	(\$10,485)	(\$192,504)	0	\$0	26	(\$192,504)
Year 3	25	(\$10,485)	(\$272,715)	0	\$0	41	(\$272,715)
Year 4	29	(\$10,485)	(\$322,676)	0	\$0	45	(\$322,676)
Year 5	30	(\$10,485)	(\$340,479)	1	(\$97,473)	52	(\$437,951)
Year 6	30	(\$10,485)	(\$347,288)	1	(\$89,477)	57	(\$436,766)
Year 7	30	(\$10,485)	(\$354,234)	1	(\$90,430)	62	(\$444,664)
Year 8	30	(\$10,485)	(\$361,319)	1	(\$91,395)	63	(\$452,714)
Year 9	30	(\$10,485)	(\$368,545)	1	(\$92,370)	64	(\$460,915)
Year 10	30	(\$10,485)	(\$375,916)	1	(\$93,357)	64	(\$469,273)

If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

If the projected impact of legislation is less than 1,500 offenders added to or subtracted from the department's institutional caseload, the marginal cost of incarceration will be utilized. This cost of incarceration is \$28.73 per day or an annual cost of \$10,485 per offender and includes such

costs as medical, food, and operational E&E. However, if the projected impact of legislation is 1,500 or more offenders added or removed to the department's institutional caseload, the full cost of incarceration will be used, which includes fixed costs. This cost is \$100.25 per day or an annual cost of \$36,591 per offender and includes personal services, all institutional E&E, medical and mental health, fringe, and miscellaneous expenses. None of these costs include construction to increase institutional capacity.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

**Oversight** does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect DOC's impact for fiscal note purposes.

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

**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 **Office of the State Public Defender (SPD)** state per the National Public Defense Workload Study, the new charge contemplated by this change to Section 570.148 would take approximately fifty-seven hours of SPD work for reasonably effective representation. If one hundred cases were filed under this section in a fiscal year, representation would result in a need for an additional three attorneys. Because the number of cases that will be filed under this statute is unknown, the exact additional number of attorneys necessary is unknown. Each case would also result in unknown increased costs in the need for core staff, travel, and litigation expenses.

**Oversight** assumes this proposal will not create the number of new cases required to request additional FTE for the SPD and that the SPD can absorb the additional caseload required by this proposal with current staff and resources. Therefore, Oversight will reflect no fiscal impact to the SPD for fiscal note purposes. However, if multiple bills pass which require additional staffing and duties, the SPD may request funding through the appropriation process.

Officials from the **Missouri Office of Prosecution Services (MOPS)** assume the proposal will have no measurable fiscal impact on MOPS. The enactment of a new crime creates additional responsibilities for county prosecutors and the circuit attorney which may, in turn, result in additional costs, which are difficult to determine.

Officials from the **Department of Commerce and Insurance**, the **Department of Public Safety - Missouri Highway Patrol**, and the **Office of the State Courts Administrator** 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.

<u>FISCAL IMPACT</u> <u>- State</u> <u>Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2030)
<b>GENERAL REVENUE</b>				
<u>Cost - DOC</u> (§570.148)				
Personal Service	\$0	\$0	\$0	(\$48,736)
Fringe Benefits	\$0	\$0	\$0	(\$35,967)
Exp. & Equip.	\$0	\$0	\$0	(\$12,770)
Increased incarceration costs	(\$78,637)	(\$192,504)	(\$272,715)	(\$340,479)
<b>Total Cost - DOC</b>	<b>(\$78,637)</b>	<b>(\$192,504)</b>	<b>(\$272,715)</b>	<b>(\$437,951)</b>
FTE Change - DOC	0 FTE	0 FTE	0 FTE	1 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(\$78,637)</b>	<b>(\$192,504)</b>	<b>(\$272,715)</b>	<b>(\$437,951)</b>

<u>FISCAL IMPACT</u> <u>- Local</u> <u>Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2030)
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

FISCAL IMPACT - Small Business



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

### FISCAL DESCRIPTION

#### FINANCIAL INSTITUTIONS (Section 570.148)

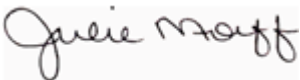
This bill establishes the offense of financial institution accounts fraud whereby a person accesses or uses an account in a financial institution under false pretenses to withdraw money or transfers money to another person or another financial institution in order to deprive the customer or the financial institution of the moneys.

The offense is classified as a class B misdemeanor if the fraud amount is less than \$500. If the amount is greater than \$500, the bill provides for various felony classifications based upon whether the person acted with criminal negligence; recklessly; knowingly; or purposefully.

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 Public Safety  
Missouri Office of Prosecution Services  
Office of the State Courts Administrator  
Office of the State Public Defender



Julie Morff  
Director  
January 30, 2025



Jessica Harris  
Assistant Director  
January 30, 2025