

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1497H.011
Bill No.: HB 534
Subject: Courts; Civil Procedure
Type: Original
Date: January 26, 2025

Bill Summary: This proposal modifies supreme court rule 52.08 relating to class actions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

* Oversight assumes the unknown impact will be less than \$250,000 annually.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section A – Modifies supreme court rule 52.08 relating to class actions

Officials from the **Office of the State Courts Administrator (OSCA)** assume the proposal may have some impact on their organization but there is no way to quantify the amount at this time. Any significant changes will be reflected in future budget requests.

Upon further inquiry for similar legislation from the current session (SB 47), **OSCA** stated since the proposal affects actions of the courts in unanticipated ways, and there is not enough information to forecast if a potential cost could be absorbed, the fiscal impact is unknown.

Oversight notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 to (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Attorney General's Office (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 will reflect a zero impact in the fiscal note for this agency.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND			
<u>Costs</u> – OSCA – costs related to changes to supreme court rule 52.08 on class actions lawsuits (Section A)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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

This bill amends Missouri Supreme Court Rule 52.08, related to class action lawsuits. The bill specifies that as early as practicable, after a person sues or is sued, the court must determine whether to certify an action as a class action and the court must make specific findings and conclusions to support its decision to certify. The certifying order must define the class and the class claims, issues, or defenses, and must appoint class counsel.

The bill modifies the current notice provisions and provides methods by which notice for any certified class or for purposes of a settlement must be provided and the information the notice must include. The bill also provides factors the court must consider, as well as factors it may consider, when appointing class counsel. The court may appoint interim counsel prior to determining whether to certify an action as a class action.

The bill allows actions to be brought or maintained with respect to particular issues or classes to be divided into subclasses, when appropriate. The bill requires the court to hold a hearing prior to approving a settlement proposal if the proposal would bind class members, and parties seeking approval of the proposal must file a statement identifying any agreement made in connection with the proposal. The bill sets procedures for determining attorneys' fees and nontaxable costs. (§52.08)

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. 1497H.011

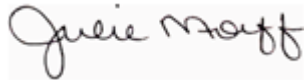
Bill No. HB 534

Page 5 of 5

January 26, 2025

SOURCES OF INFORMATION

Attorney General's Office
Office of the State Courts Administrator



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