

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5052H.011  
 Bill No.: HB 1610  
 Subject: Civil Procedure; Courts  
 Type: Original  
 Date: February 16, 2026

Bill Summary: This proposal lowers the statute of limitations for certain actions.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or Unknown to (Unknown)</b>	<b>\$0 or Unknown to (Unknown)</b>	<b>\$0 or Unknown to (Unknown)</b>

\*Oversight assumes potential unknown savings to the State due to the shortened statute of limitations for filing lawsuits and a potential loss of revenue due to the shortened statute of limitations for collections could exceed \$250,000 annually.

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
State Legal Expense*	\$0	\$0	\$0
Other State Funds**	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)
Colleges and Universities	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or Unknown to (Unknown)</b>	<b>\$0 or Unknown to (Unknown)</b>	<b>\$0 or Unknown to (Unknown)</b>

\*Transfers-in and Transfers-out net to \$0. Numbers within parentheses: () indicate costs or losses.

\*\*Oversight assumes potential unknown savings to the State due to the shortened statute of limitations for filing lawsuits and a potential loss of revenue due to the shortened statute of limitations for collections could exceed \$250,000 annually.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Federal*	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0 or Unknown to (Unknown)</b>	<b>\$0 or Unknown to (Unknown)</b>	<b>\$0 or Unknown to (Unknown)</b>

\* The fiscal impact represents the potential reduction in exposure to liability claims. Oversight assumes the cost avoidance could possibly reach \$250,000. Oversight assumes a potential loss of revenue due to the shortened statute of limitations for collections could exceed \$250,000 annually.

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Office of Prosecution Services** did not respond to **Oversight's** request for fiscal impact for this proposal.

### §516.120 – Lowers Statute of Limitation for Certain Actions

Officials from the **Office of Administration (OA)** state §516.120 changes the statute of limitation for personal injury claims from five years to three years. This provision has the potential to avoid costs to the state Legal Expense Fund (LEF) for actions alleging personal injury, due to the much shorter proposed limitations period applicable to such actions.

**Oversight** contacted OA, Risk Management/General Services Division for additional information regarding the number of claims against the State of Missouri for the past three fiscal years.

	FY23	FY24	FY25	Three Year Average
General Liability reported claims	233	210	232	225
General Liability expenditures	\$683,006	\$113,397	\$522,841	\$439,748
Legal Expense reported claims	80	118	56	85
Legal Expense expenditures	\$23,366,982	\$25,817,177	\$24,115,566	\$24,433,242

Additional information states that the categories of “General Liability” and “Legal Expense” are terms used by OA’s database. Section 105.711, RSMo, the statute that creates the Legal expense fund, provides that moneys in the state legal expense fund is to be used for the payment of any claim or any amount required by the final judgement rendered by a court against (summarized/edited for brevity):

- 1) The State of Missouri or any agency of the state;
- 2) Any officer or employee of the state of Missouri, including elected officials, appointees, members of boards/commissions, the Missouri National Guard for duties performed on behalf of the state/state agency;
- 3) Any physician, psychiatrist, pharmacist, podiatrist, dentist, nurse or other health care provider licensed to practice in Missouri who is employed by the State or any agency, including those employed under contract the department of elementary and secondary education or the department of corrections, those contracted with a city or county health department, federally funded community health center, etc.;
- 4) Staff employed by the juvenile division of any judicial court;
- 5) Any attorney licensed to practice law in Missouri who practices law at/through a nonprofit community social services center exempt from federal taxation if such practice/services provided by attorney without compensation;

- 6) Social welfare boards/members/officers under specified provisions; and
- 7) Any person appointed to act as an agent for the department of revenue.

**Oversight** has no information to the contrary. Oversight assumes it is possible that shortening the statute of limitations from five years to three years could reduce the number of lawsuits/claims against the state and reduce the liability incurred by the State Legal Defense Fund an average of approximately \$24 million per year. However, since it is unknown how many lawsuits/claims will actually **not** be filed, Oversight will present a \$0 or unknown savings to all funds that are potentially impacted due to the shorter statute of limitations.

Impacts to the LEF affect General Revenue, Various/Other State Funds and Federal funds as well as potentially impacting Colleges & Universities and Local Political Subdivisions (College and Universities). For fiscal note purposes, Oversight will present a \$0 or Unknown savings to these funds due to the shorter time frame for filing personal injury claims.

Officials from the **Department of Revenue (DOR)** state this bill, if passed, would change the statute of limitations in §516.120 from five years to three years. The proposal may impact DOR's pursuit of collections in circuit court, DOR's enforcement of contracts, as well as other legal actions taken by DOR or by the AGO on behalf of DOR.

Should the ability of the agency be hindered in its collection abilities then it could result in a loss of state revenue. DOR, at this time, is unable to estimate the fiscal impact of this proposal but assumes it would be negative to general revenue and many of the other state funds as well.

**Oversight** has no information to the contrary. Therefore, Oversight will present a \$0 to (Unknown) fiscal impact for the DOR to the General Revenue Fund, various other state funds and Federal funds for the potential loss of revenue collections and contract enforcement resulting from the reduction in the statute of limitations from 5 years to 3 years. Oversight assumes this reduction in income could exceed \$250,000 per year.

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, Department of Revenue, Office of the State Courts Administrator, and City of Kansas City** 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.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and various county officials were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE</b>			
<u>Cost Avoidance</u> – (§516.120) Potential decrease in payments to the Legal Expense Fund p.3-4	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss</u> – DOR (§516.120) Reduction in collections/contract enforcement p.4	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 or Unknown to <u>(Unknown)</u></b>	<b>\$0 or Unknown to <u>(Unknown)</u></b>	<b>\$0 or Unknown to <u>(Unknown)</u></b>
<b>STATE LEGAL EXPENSE FUND (1692)</b>			
<u>Transfer-In</u> – (§516.120) From GR, Federal and Other State Funds for payments of claims due to shortened statute of limitations p.3-4	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<u>Transfer-Out</u> – (§516.120) Reduction in payments of claims due to shortened statute of limitations p.3-4	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
<b>ESTIMATED NET EFFECT ON STATE LEGAL EXPENSE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>OTHER STATE FUNDS</b>			
<u>Cost Avoidance</u> - (§516.120) Potential decrease in claims due to shortened statute of limitations p.3-4	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss – DOR</u> (§516.120) Reduction in collections/contract enforcement p.4	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>	<b>\$0 or Unknown to <u>(Unknown)</u></b>	<b>\$0 or Unknown to <u>(Unknown)</u></b>	<b>\$0 or Unknown to <u>(Unknown)</u></b>
<b>COLLEGES AND UNIVERSITIES</b>			
<u>Cost Avoidance</u> - (§516.120) Potential decrease in claims due to shortened statute of limitations p.3-4	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>ESTIMATED NET EFFECT ON COLLEGE AND UNIVERSITIES</b>	<b>\$0 or <u>Unknown</u></b>	<b>\$0 or <u>Unknown</u></b>	<b>\$0 or <u>Unknown</u></b>
<b>FEDERAL FUNDS</b>			
<u>Cost Avoidance</u> - (§516.120) Potential decrease in claims due to shortened statute of limitations p.3-4	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss – DOR</u> (§516.120) Reduction in collections/contract enforcement p.4	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b>\$0 or Unknown to <u>(Unknown)</u></b>	<b>\$0 or Unknown to <u>(Unknown)</u></b>	<b>\$0 or Unknown to <u>(Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost Avoidance - (\$516.120) Potential decrease in claims due to shortened statute of limitations p.3-4</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>

FISCAL IMPACT – Small Business

This proposal may impact small businesses if they fail to file a law suit within the three year statute of limitations.

FISCAL DESCRIPTION

This bill decreases the statute of limitation on certain actions from five years to three years. Such actions include all actions for contracts, with some exceptions; actions for a liability, other than a penalty or forfeiture, created by statute; actions for trespass on real estate; actions for taking, detaining, or injuring any goods or chattels; and actions for relief on the ground of fraud.

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 Revenue  
 Office of Administration  
 Office of the State Courts Administrator  
 City of Kansas City



Julie Morff  
 Director  
 February 16, 2026



Jessica Harris  
 Assistant Director  
 February 16, 2026