

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6162H.011
 Bill No.: HB 2637
 Subject: Crimes and Punishment; Department of Corrections; Criminal Procedure
 Type: Original
 Date: January 27, 2026

Bill Summary: This proposal modifies provisions relating to criminal offenses, including minimum prison terms and conditional release.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2035)
General Revenue*	\$0 or (Unknown)	\$0 or (Unknown)	Less than \$1,241,691	Less than \$3,856,217 to (\$9,149,428 to Unknown)
Total Estimated Net Effect on General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	Less than \$1,241,691	Less than \$3,856,217 to (\$9,149,428 to Unknown)

*Oversight is presenting the potential savings or the potential costs as estimated by DOC based on different scenarios.

*Additionally, DOC notes that current capacity will be met by July 2029 (FY 2030) or potentially much sooner. Therefore, Oversight has made the decision to reflect the marginal cost of incarceration up to an unknown cost if DOC needs to add staff and/or rehabilitate, expand or construct additional capacity. Oversight assumes the unknown cost has the potential to exceed \$250,000.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2035)
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2035)
Total Estimated Net Effect on <u>All Federal Funds</u>	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2035)
General Revenue*	0 FTE	0 FTE	2 FTE	6 to (16) FTE
Total Estimated Net Effect on FTE	0 FTE	0 FTE	2 FTE	6 to (16) 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 2027	FY 2028	FY 2029	Fully Implemented (FY 2035)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

§556.061 – Dangerous Felonies

Officials from the **Department of Corrections (DOC)** state this proposal modifies provisions relating to criminal offenses, including minimum prison terms, and conditional release.

Section 556.061 is modified to include all statutory rape in the first degree and all statutory sodomy in the first-degree cases to be dangerous felonies, not just those where the victim is less than 12 years old at the time of the offense. It also adds abuse through forced labor when punished under subsection 4 of section 566.203, trafficking for the purposes of slavery, involuntary servitude, peonage, or forced labor or attempted trafficking for the purposes of slavery, involuntary servitude, peonage, or forced labor when punished under subsection 4 of section 566.206, trafficking for the purposes of sexual exploitation or attempted trafficking for the purposes of sexual exploitation when the offense was effected by force, abduction, or coercion, sexual trafficking of a child in the first degree, sexual trafficking of a child in the second degree, and the failure to register as a sex offender as a third offense as dangerous felonies.

During FY 2025, there were 31 first releases from prison that would qualify as dangerous felonies under the proposed bill that were not required to serve 85 percent of their prison sentence under current statute. The average stay for these 31 releases was 12.0 years, with the average sentence being 20.0 years. If everyone in this group were to have been required to serve 85 percent, the stay length would have instead been 17.0 years. The estimate impact of this section is 105 additional offenders in the prison population and 105 less in the field population by FY 2044.

§§557.021 and 558.011 – General Sentencing Provisions and Imprisonment

Section 558.011 changes language regarding authorized terms of imprisonment, with class A felonies being 60 to 80 percent as determined by the sentencing court, class B felonies serving between forty and sixty percent, class C felonies between thirty and fifty percent, class D between 17 and 37 percent, class E felony between 17 and 37 percent. This excludes dangerous felonies. If the sentencing court does not have a percentage given, the minimum length will apply. It also removes conditional release language. This does not affect the powers of the governor, or sections 565.020, 566.125 and section 559.115 relating to probation. Life sentences are 30 years.

Since 557.021 is replacing 558.011 in setting mandatory minimum sentences, DOC will consider both of these sections together. Given there are proposed a range of minimum percentages required for A, B, C, D and E felonies, DOC will provide estimates at both ends of the range.

Some assumptions are made in creating these projections. It is assumed that those serving a minimum prison term (MPT) under 558.011 would instead serve the new MPT under 557.021. For all other offenders, the maximum of the new MPT or the actual amount of time served is utilized.

Class A Felonies (60% to 80%)

In FY 2025, there were 275 first releases from prison where the most serious sentence was a class A felony. These offenders served an average of 15.7 years to first release on an average sentence of 18.7 years. If offenders in this group had instead served at least 80% of their stay, they would have served 16.8 years to first release. This would lead to an increase of 193 offenders in prison and a decrease of 193 under field supervision by FY 2044.

If instead, offenders in this group had served at least 60% of their stay, they would have served an average of 16.6 years to first release, leading to an increase in the prison population of 165 offenders and a decrease in the field population of 165 offenders by FY 2044.

Class B Felonies (40% to 60%)

In FY 2025, there were 397 first releases on class B felonies. The average stay for these offenders was 6.7 years on an average sentence of 10.9 years. If instead these offenders were to serve at least 60% of their sentence, the average sentence length would be 7.8 years. This would result in an increase of the prison population of 278 offenders and a decrease in the field population of 278 offenders by FY 2035.

If instead these offenders were to serve at least 40% of their sentence, the average stay length would be 6.8 years. This would lead to a decrease in the prison population of 40 offenders and an increase in the field population of 40 offenders by FY 2035.

Class C Felonies (30% to 50%)

In FY 2025, there were 334 first releases whose most serious offense was a class C felony. These offenders served 3.8 years on average of a 7.9 year average prison sentence. If instead all of these offenders had served a minimum of 50% of their sentence, the average sentence would have been 4.6 years. Going forward, this would lead to an increase in the prison population of 167 offenders and a decrease in the field population of 167 offenders by FY 2032.

If instead, these offenders were required to serve a minimum of 30% of their sentence, the average prison sentence would have been 3.6 years. This would lead to a decrease in the prison population of 67 offenders and an increase in the field population of 67 offenders by FY 2032.

Class D Felonies (17% to 37%)

In FY 2025, there were 1,902 first releases whose most serious offense was a class D felony. Of these offenders, the average stay was 2.0 years with an average sentence length of 5.4 years. If these offenders were required to serve a minimum of 37% of their sentence, the average stay would have been 2.3 years, resulting in an increase in the prison population of 380 and a decrease in the field population of 380 by FY 2030.

If instead, these offenders were required to serve a minimum of 17% of their sentence, the average stay would have been 1.8 years. This would lead to a decrease in the prison population of 190 offenders and an increase in the field population of 190 offenders by FY 2030.

Class E Felonies (17% to 37%)

In FY 2025, there were 624 first releases who most serious offense was a class E felony. Of these offenders, the average stay was 1.7 years and the average sentence length was 3.7 years. If these offenders were required to serve a minimum of 37% of their sentence, the average stay would have been 1.7 years, resulting in no impact to the prison or field populations.

If instead those with class E felonies were required to serve a minimum of 17% of their sentence, the average stay would have been 1.4 years, resulting in a 125 offender decrease in the prison population and a 125 offender increase in the field population by FY 2029.

Cumulative Combined Estimated Impact for DOC

Low End of Range

Taken together, this proposal would decrease the prison population by 342 offenders and increase the field population by 342 offenders by FY 2035 on the low end.

	# to prison	Savings per year	Total Savings for prison	Change in & parole officers	Total cost for probation and parole	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	0	(\$11,123)	\$0	0	\$0	0	\$0
Year 2	0	(\$11,123)	\$0	0	\$0	0	\$0
Year 3	(125)	(\$11,123)	\$1,446,546	2	(\$204,855)	125	\$1,241,691
Year 4	(315)	(\$11,123)	\$3,718,202	6	(\$604,687)	315	\$3,113,515
Year 5	(315)	(\$11,123)	\$3,792,566	6	(\$576,010)	315	\$3,216,556
Year 6	(382)	(\$11,123)	\$4,691,224	7	(\$688,341)	382	\$4,002,883
Year 7	(382)	(\$11,123)	\$4,785,048	7	(\$686,333)	382	\$4,098,715
Year 8	(382)	(\$11,123)	\$4,880,749	7	(\$693,620)	382	\$4,187,129
Year 9	(342)	(\$11,123)	\$4,457,070	6	(\$600,853)	342	\$3,856,217
Year 10	(342)	(\$11,123)	\$4,546,211	6	(\$607,235)	342	\$3,938,976

High End of Range

Taken together, this proposal will increase the prison population by 825 offenders and decrease the field population by 825 offenders by FY 2035 on the high end of the range.

	# to prison	Cost per year	Total Costs for prison	Change in probation & parole officers	Total savings for probation and parole	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	0	(\$11,123)	\$0	0	\$0	0	\$0
Year 2	0	(\$11,123)	\$0	0	\$0	0	\$0
Year 3	0	(\$11,123)	\$0	0	\$0	0	\$0
Year 4	380	(\$11,123)	(\$4,485,450)	(7)	\$664,969	(380)	(\$3,820,482)
Year 5	380	(\$11,123)	(\$4,575,159)	(7)	\$672,012	(380)	(\$3,903,147)
Year 6	547	(\$11,123)	(\$6,717,538)	(10)	\$970,191	(547)	(\$5,747,347)
Year 7	547	(\$11,123)	(\$6,851,889)	(10)	\$980,475	(547)	(\$5,871,413)
Year 8	547	(\$11,123)	(\$6,988,926)	(10)	\$990,885	(547)	(\$5,998,014)
Year 9	825	(\$11,123)	(\$10,751,703)	(16)	\$1,602,275	(825)	(\$9,149,428)
Year 10	825	(\$11,123)	(\$10,966,737)	(16)	\$1,619,294	(825)	(\$9,347,443)

Assuming the population remains the same, the department assumes minimal impact that could range from 342 fewer to prison to 825 more to prison.

The department will assume a marginal cost (multiplied by number of offenders) for any projected increase or decrease in the incarcerated population. Marginal cost is \$30.47 per day or an annual cost of \$11,123 per offender which includes costs such as medical, food, wages and operational E&E. The unknown amount is a result of the uncertainty in the growth of the underlying offender population. The impact of any new legislation combined with the growth of the underlying population could result in the tiered approach below in order to meet the population demands.

1. Fully staffing the current capacity (27,368) which is habitable, but DOC does not have the staffing resources for all bed space.
2. Rehabilitating current space that is not currently habitable and obtaining staffing resources for that space (requires capital improvements).
3. Expanding new capacity by adding housing units or wings to existing prisons and obtaining staffing resources for that space (requires capital improvements).
4. Constructing a new prison and obtaining staffing resources. Based on current construction projects in other Midwest states, the department estimates the cost of constructing a new 1,500-bed maximum security prison at approximately \$825 million to \$900 million plus annual operating costs of approximately \$50 million (requires capital improvements).

The department's population projections indicate current physical capacity will be met by July 2029; however recent trends indicate that capacity could be met much sooner. Should new construction be the result of the increasing offender population, the full cost per day per offender would be used which is \$106.96 or an annual cost of \$39,040. This includes all items in the marginal cost calculation plus fringe, personal service, utilities, etc.

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.

* 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.

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

Responses regarding the proposed legislation as a whole

Officials from the **Office of State Courts Administrator (OSCA)** state there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

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 or (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 **Department of Social Services (DSS)** state this legislation modifies the definition of "dangerous felony" to include additional crimes, which, as written, could cause the Division of Youth Services to see an increase in Dual Jurisdiction referrals, potentially impacting the number of individuals served annually by this programming. An increase in these referrals could increase the need for additional staffing and increased physical plant capacity. It is

difficult to predict whether that number will be minimal or substantial and what fiscal impact may occur. Juvenile Office and judicial discretion would play into each individual youth's case, making the impact more difficult to calculate.

Oversight assumes DSS could absorb any increase with current staff and funding levels. However, if additional duties require increased staffing, the DSS may request additional funding through the appropriations process.

Officials from the **Missouri Department of Transportation, Office of the State Public Defender, Phelps County Sheriff's Department, Branson Police Department, Kansas City Police Department, and St. Louis County 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local law enforcement 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</u> – State Government	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2035)
GENERAL REVENUE				
<u>Savings/Cost</u> – DOC (§§556.061, 557.021, 558.011) Incarceration costs p.4-8	\$0	\$0	\$1,241,691	\$3,856,217 to (\$9,149,428 to Unknown)
<u>Cost</u> – OSCA (various sections) Potential cost relating to MPT & conditional release p.8	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (Unknown)	\$0 or (Unknown)	Less than \$1,241,691	Less than \$3,856,217 to (\$9,149,428 to Unknown)
Estimated Net FTE Change on General Revenue	0 FTE	0 FTE	2 FTE	6 to (16) FTE

<u>FISCAL IMPACT</u> – Local Government	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2035)
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

CRIMINAL OFFENSES

This bill requires a sentencing calculation, including jail time credit, to be included in the information provided to the Department of Corrections at or before the time an offender is delivered to the Department.

The bill repeals a provision that does not consider an offender's first incarceration in a Department of Corrections long-term substance abuse program or 120-day program as a previous prison commitment for the purpose of determining a minimum prison term. The bill repeals provisions related to conditional release.

The bill adds to the definition of "dangerous felony": abuse through forced labor; labor and sex trafficking; sex trafficking of a child; and a third violation of failure to register as a sex offender.

The bill amends provisions related to minimum prison terms as follows:

- (1) For a class A felony, an offender must serve between 60% and 80%;
- (2) For a class B felony, an offender must serve between 40% and 60%;
- (3) For a class C felony, an offender must serve between 30% and 50%; and
- (4) For a class D or E felony, an offender must serve between 17% and 37%.

If the court does not impose a specific percentage of a prison term that must be served, the minimum percentage of the term associated with the felony class will be the required term. The bill provides calculations for when consecutive or concurrent sentences are imposed by the court.

The bill modifies provisions related to credit for time served, including requiring the court to, when pronouncing sentence or executing a suspended sentence or suspending the imposition of a sentence, record the number of days the person spent in prison, jail, or custody due to the offense after the offense occurred and before the pronouncement of the sentence or the suspension of imposition of the sentence. The jail time credit calculation will be pronounced at the time of the judgment, execution of a suspended sentence, or the suspension of imposition of sentence. Upon motion by the defendant, the court can also award jail time credit for any person who was held in a juvenile detention facility for an offense for which the person was subsequently certified to stand trial as an adult.

Currently, a sentencing court can, upon petition, reduce a term of sentence or probation or conditional release if the person is not a prior offender, a persistent offender, or an unclassified offender as defined in the section related to minimum terms of imprisonment. This bill repeals that authorization.

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

SOURCES OF INFORMATION

Department of Corrections
Department of Social Services
Missouri Department of Transportation
Office of the State Courts Administrator
Office of the State Public Defender
Phelps County Sheriff's Department
Branson Police Department
Kansas City Police Department
St. Louis County Police Department



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