

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4470-01
Bill No.: Perfected HB 1594
Subject: Crimes and Punishment; Banks and Financial Institutions
Type: Original
Date: February 2, 2016

Bill Summary: This proposal modifies provisions to the physical taking or attempted physical taking of property owned or in custody of a financial institution.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2024)
General Revenue	\$0	(\$15,644)	(\$47,871)	(\$159,234)
Total Estimated Net Effect on General Revenue	\$0	(\$15,644)	(\$47,871)	(\$159,234)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2024)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2024)
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 2017	FY 2018	FY 2019	Fully Implemented (FY 2024)
Total Estimated Net Effect on FTE	0	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2024)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections (DOC)** state this bill proposes to repeal and replace sections 570.010 and 570.030, RSMo, to include provisions relating to the physical taking or attempted physical taking of property owned or in the custody of a financial institution. Modified language defines “financial institution” in section 570.010. Section 570.030 includes addition of a class B felony for cases where “property appropriated or attempted to be appropriated is owned by or in the custody of a financial institution and the property is taken or attempted to be taken physically from an individual person to deprive the owner or custodian of the property”. The addition of financial institutions to this section only addresses the particular owner/custodian of the property with no further specification of the offense or value limit beyond what is already addressed in the statute.

In cases already classified as a class B felony because of monetary limit, subsequent offenses or certain conditions, there would be no change if this bill is enacted as those cases will already fall under class B felony provisions. However, since changes to this bill cover property in general with no monetary limit, we can assume that some percentage of current class C felonies would become newly charged as class B felonies solely on the basis that the property was in ownership/custody of a financial institution.

There is no way to determine how many current admissions for stealing offenses involved property in ownership/custody of a financial institution. In FY15, data indicates 464 new term admissions and 1,724 new probations for class C felony stealing offenses under section 570.030. A minimum estimate for those that would be diverted to class B felonies is perhaps 1% since this bill represents specific criteria. This would result in 5 court commitments and 17 probations receiving increased sentences when charged with a class B felony instead of class C. An increase in the population will occur after the offenders serve the time they would have served for the original class C stealing offense.

Review of other charges associated with section 570.030 provides insight on what may be expected for time under DOC supervision. Data from FY15 indicates that for each offender diverted, sentence length would increase by 2.5 years, time served by 18.5 months, time on parole by 1 year and probation terms by 0.5 years.

The additional time after time that would have been served anyway delays the increase in incarcerations to a partial increase in FY18, and full increase by FY19. Due to the longer sentence, offenders would not be on parole as early and would also have longer parole time. This increase will begin to occur in year 4 after the estimated 5 incarcerations have served the average

ASSUMPTION (continued)

37 months. Probation will begin to increase in year 5 since the original class C average probation term was already 4.5 years.

Estimated impacts based on comparable offenses are attached, but the summarized impact on DOC is a total estimated increase of 7.5 incarcerations by FY19 and 42 offenders on field supervision by FY24.

Based upon estimated costs of \$6,135 per year for each person incarcerated and \$2,205 per year for each person supervised, the DOC assumes a cost of \$0 in FY 2017, \$15,644 (2.5 persons in prison and 0 supervised) in FY 2018, \$47,874 (7.5 persons in prison and 0 supervised), and a fully implemented cost in year 8 (FY 2024) of \$159,234 (7.5 persons in prison and 42 persons supervised).

Officials from the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Office of Prosecution Services**, and the **Office of the State Courts Administrator** each assume the proposal would not fiscally impact their respective agencies.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons faced with the enhanced penalties for appropriating or attempting to appropriate property that is owned by or in the custody of a financial institution and the property is taken or attempted to be taken physically from an individual person to deprive the owner or custodian of the property would be a new class B felony.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2024)
---	---------------------	---------	---------	-----------------------------------

**GENERAL
REVENUE FUND**

<u>Costs</u> - DOC - of incarceration or supervision of offenders	<u>\$0</u>	<u>(\$15,644)</u>	<u>(\$47,871)</u>	<u>(\$159,234)</u>
--	------------	-------------------	-------------------	--------------------

ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$15,644)</u>	<u>(\$47,871)</u>	<u>(\$159,234)</u>
---	-------------------	--------------------------	--------------------------	---------------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2024)
	<u>\$0</u>	<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 changes the laws regarding the crime of stealing to include the appropriating or attempted appropriation of property owned by or in the custody of a financial institution in order to deprive the owner or custodian of the property.

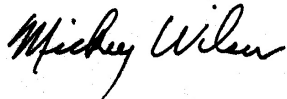
The offense is a class B felony.

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. 4470-01
Bill No. Perfected HB 1594
Page 6 of 6
February 2, 2016

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration
Department of Public Safety
Office of the State Courts Administrator
Department of Corrections
Office of Prosecution Services
Office of the State Public Defender



Mickey Wilson, CPA
Director
February 2, 2016

Ross Strobe
Assistant Director
February 2, 2016