

JAN 14 1987

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: Senate Bill No. 2265 Amendment to: _____

Requested by: Legislative Council Date of Receipt: 1/7/87

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

SEE ATTACHED SUPPLEMENTAL SHEET.

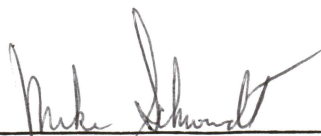
State Fiscal Effect:

<u>1987-88</u>		<u>1988-89</u>		<u>Biennium Total</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>

County and City Fiscal Effect:

<u>1987-88</u>		<u>1988-89</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name MIKE SCHWINDT

Date Prepared: 1/14/87

Department HUMAN SERVICES

SENATE BILL #2265 -- 1987-1989 BIENNIUM

SECTION 1

New Section, Chapter 50-06, Estimated Amount of Collections by Affidavit or other Informal Probate Procedure - Provides clear authority in law to allow the Department of Human Services or, at the Department's direction, a county social service board to make informal collections directly in small estates. This section will also allow the Department or, at its discretion, a county social service board authority to act as a special administrator in instances in which such authority is essential to protect a decedent's property after death, without special appointment.

The Department is currently making informal collections in small estates, but because of absent formal authority to do so, these collections could be jeopardized or substantially reduced. The average monthly amount of these informal collections, excluding State Hospital, received by the Department of Human Services for the eight-month period October, 1985 - May, 1986 was \$11,568. The average monthly amount of informal collections for five-month period received by the State Hospital was \$514. Total combined average monthly amount totals \$12,082 (\$11,568 + \$514).

The estimated 1987-1989 Biennium amount (\$12,082 x 24 or \$289,968) of collections by affidavit or other informal procedures and source of funds is as follows:

	Total	Special (Federal)	General	County
<u>TOTAL</u>	<u>\$289,968</u>	<u>\$155,058</u>	<u>\$118,840</u>	<u>\$16,070</u>
First Year	144,984	77,529	59,420	8,035
Second Year	144,984	77,529	59,420	8,035

It is anticipated that these amounts will not be recovered should the Department lack legal authority to make such recoveries.

SECTION 2

New Section, Chapter 50-06, Trusts - This provision, if enacted, would remove from doubt the question of the obligation of a trustee to act on behalf of an impoverished trust beneficiary. It is impossible to calculate the amount of monies to be saved without knowing the amounts deposited in trusts and subject to the discretion of the trustee or the current willingness of the trustee to distribute trust benefits. We have access to none of this information with respect to persons who have not applied for assistance and have no dependable information with regard to many current applicants. We anticipate the number of cases affected to be less than 50 each year, but within that number there may be examples with substantial trust assets.

SENATE BILL #2265 -- 1987-1989 BIENNIUM

SECTION 3

Revision in Section 50-24.1-02, Disqualifying Transfers - This amendment would undo the narrow reading of the existing disqualifying transfer provision made by the North Dakota Supreme Court. If the bill does not become law, we anticipate a gradual increase in costs of Medical Assistance benefits as those benefits are made available to persons who might otherwise be ineligible. We cannot accurately predict the potential for increased cost because we have no access to information to enable us to predict how many applicants for or recipients of Medical Assistance might acquire the right to claim from a decedent's estate, a trust or similar device, or a person obligated by law to furnish support to the applicant or recipient or how many applicants or recipients might opt to decline or disclaim that right. We anticipate the number of cases involved to be less than 100 each year, but within that number there may be cases which would involve the expenditure of substantial sums in Medical Assistance payments were such transfers permitted.

SECTION 4

Revision in Section 50-24.1-07, NDCC, to Define Limit on Funeral Expense - This change will clarify in law a procedure that is currently being clarified in county courts in individual estates. It will provide a very modest savings in time and effort to the Department of Human Services and county courts. The savings will be about eight hours a month to the Department of Human Services in preparing letters and briefs and will also save time and effort by county courts. The actual dollar differences in recovery will be up to \$1,400 in each estate in which the law would be applied.

1/14/87
R & S
jf