



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: **HB0948.01: Generally revise insurance laws to provide that the Commissioner of Insurance's office is not a criminal justice agency**

Primary Sponsor: Lee Deming Status: As Introduced

☐ Included in the Executive Budget ☒ Needs to be included in HB 2 ☐ Significant Local Gov Impact  
☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

### FISCAL SUMMARY

|                             | <u>FY 2026</u><br><u>Difference</u> | <u>FY 2027</u><br><u>Difference</u> | <u>FY 2028</u><br><u>Difference</u> | <u>FY 2029</u><br><u>Difference</u> |
|-----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Expenditures</b>         |                                     |                                     |                                     |                                     |
| General Fund (01)           | \$357,273                           | \$342,637                           | \$347,776                           | \$352,993                           |
| <b>Revenues</b>             |                                     |                                     |                                     |                                     |
| General Fund (01)           | \$0                                 | \$0                                 | \$0                                 | \$0                                 |
| <b>Net Impact</b>           | <u>(\$357,273)</u>                  | <u>(\$342,637)</u>                  | <u>(\$347,776)</u>                  | <u>(\$352,993)</u>                  |
| <b>General Fund Balance</b> |                                     |                                     |                                     |                                     |

### Description of fiscal impact

HB 948 generally revises insurance laws providing that the State Auditor is not a criminal justice agency and requires insurance investigations by the State Auditor be referred to the Attorney General, the applicable county attorney, or the criminal justice agency with the jurisdiction over the matter. The Department of Justice's Division of Criminal Investigation (DCI) will require additional staff. A \$250,000 general fund appropriation for the 2027 Biennium is provided for the purpose of enforcing criminal insurance laws based on referrals received from the Commissioner of Insurance, however additional funding will be required..

### FISCAL ANALYSIS

#### Assumptions

#### Department of Justice

1. Section 1 (6) states that the department, (referring to the insurance department of the state auditor) is not a criminal justice agency, and shall refer all criminal matters to the AG, county attorney, or any other criminal justice agency that may have jurisdiction over criminal matters.
2. The Division of Criminal Investigation (DCI) has jurisdiction over criminal matters so there is a potential for many statewide criminal justice agencies to request DCI's assistance. DCI assumes many local law enforcement jurisdictions will request the assistance of the Division of Criminal Investigation to conduct investigations into insurance fraud and insurance-related crimes because they do not have the funding, personnel, or expertise to conduct complex financially motivated crimes. Effective investigation of these referrals will require expertise in forensic analyses of financial applications, records, and transactions to confirm allegations.
3. Based on proposed statute language, DCI anticipates the need for 2.00 FTE Criminal Investigators and 1.00 FTE Forensic Accountant.


4. DCI assumes that personal services for the criminal investigator positions will cost \$179,328 in FY 2026 and \$181,726 in FY 2027. Operating expenses of \$66,167 are expected in FY 2026 including office set up, computer and phone set up, agent protective equipment, travel, training, and IT fixed costs. Operating expenses of \$52,481 are expected in FY 2027.
5. DCI assumes that personal services for the forensic accountant position would cost \$95,077 in FY 2026 and \$97,621 in FY 2027. Operating expenses of \$16,701 are expected in FY 2026 including office set up, computer and phone set up, travel, training, and IT fixed costs. Operating expenses of \$10,809 are expected in FY 2027.
6. An inflationary increase of 1.5% is applied to FY 2028 and FY 2029.
7. HB 948 provides a \$250,000 general fund appropriation for the 2027 Biennium to the Department of Justice.

**State Auditor's Office**

8. The State Auditor's Office (SAO) will continue to conduct examinations and investigations as it does today. Historically, the SAO has referred criminal investigations to the county attorney in the jurisdiction in which the violation occurred. As required by HB 948, criminal matters will be referred to the attorney general, the county attorney in the jurisdiction where a violation of Title 33 occurred, or any other criminal justice agency that may have jurisdiction. There is no fiscal impact to the SAO.

**Fiscal Analysis Table**

| <b>Department of Justice</b>   |                          |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | <b><u>FY 2026</u></b>    | <b><u>FY 2027</u></b>    | <b><u>FY 2028</u></b>    | <b><u>FY 2029</u></b>    |
|  | <b><u>Difference</u></b> | <b><u>Difference</u></b> | <b><u>Difference</u></b> | <b><u>Difference</u></b> |
| <b><u>Fiscal Impact</u></b>  |                          |                          |                          |                          |
| FTE  | 3.00                     | 3.00                     | 3.00                     | 3.00                     |
| <b>TOTAL Fiscal Impact</b>   | <b>3.00</b>              | <b>3.00</b>              | <b>3.00</b>              | <b>3.00</b>              |
| <b><u>Expenditures</u></b>   |                          |                          |                          |                          |
| Personal Services  | \$274,405                | \$279,347                | \$283,537                | \$287,790                |
| Operating Expenses   | \$82,868                 | \$63,290                 | \$64,239                 | \$65,203                 |
| <b>TOTAL Expenditures</b>  | <b>\$357,273</b>         | <b>\$342,637</b>         | <b>\$347,776</b>         | <b>\$352,993</b>         |
| <b><u>Funding of Expenditures</u></b>  |                          |                          |                          |                          |
| General Fund (01)  | \$357,273                | \$342,637                | \$347,776                | \$352,993                |
| <b>TOTAL Funding of Expenditures</b>   | <b>\$357,273</b>         | <b>\$342,637</b>         | <b>\$347,776</b>         | <b>\$352,993</b>         |
| <b><u>Revenues</u></b>   |                          |                          |                          |                          |
| <b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u></b> |                          |                          |                          |                          |
| General Fund (01)  | (\$357,273)              | (\$342,637)              | (\$347,776)              | (\$352,993)              |

  
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 Sponsor's Initials

4/8/2025  
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 Date

  
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 Budget Director's Initials

4/7/2025  
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 Date