

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0927-01  
Bill No.: SB 313  
Subject: Health Care; Labor and Industrial Relations Dept.; Law Enforcement Officers and Agencies; Workers' Compensation  
Type: Original  
Date: February 4, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
General Revenue	(Could Exceed \$100,000)	(Could Exceed \$100,000)	(Could Exceed \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Could Exceed \$100,000)</b>	<b>(Could Exceed \$100,000)</b>	<b>(Could Exceed \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Various	(Could Exceed \$100,000)	(Could Exceed \$100,000)	(Could Exceed \$100,000)
Second Injury	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(Could Exceed \$100,000)</b>	<b>(Could Exceed \$100,000)</b>	<b>(Could Exceed \$100,000)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Jefferson City Police Department, Taney County Sheriff, Reynolds County Sheriff** and **Greene County Sheriff** did not respond to our fiscal impact request.

Officials from the **Springfield Police Department (SPD)** assume no costs would be associated with implementation of this proposal. SPD notes they are in their own disability plan and their actuary has indicated there will be no fee increases if the proposal passes.

Officials from the **Department of Public Safety – Divisions of Capitol Police, Fire Safety, Water Patrol and Liquor Control** assume the proposal would have no fiscal impact on their divisions.

Officials from the **Department of Public Safety – Missouri State Highway Patrol** state their Risk Management section, which is responsible for the administration of the Patrol's Workers' Compensation program, assume this proposal would result in additional unknown cost to their Workers' Compensation system.

**Oversight** assumes costs to various state funds could exceed \$100,000 in any given year.

ASSUMPTION (continued)

Officials from the **St. Louis Metropolitan Police Department** assume costs related to passage of this proposal could be high; however, it would be impossible to calculate the cost of the proposed changes as there is no historical data upon which to base an estimate.

Officials from the **City of Columbia Police Department** assume there would be costs and losses associated with this proposal and note there would be a significant impact on Workers' Compensation cases.

Officials from the **Office of Administration – Division of General Services (DGS)** assume the proposal has the potential to increase costs associated with Workers' Compensation cases. DGS assumes the cost to be unknown and cannot speculate whether the amount would be greater than or less than \$100,000. DGS notes one case involving disease of the lungs, respiratory tract, heart or cardiovascular disease including carcinoma has the potential for significant cost. DGS notes a similar provision was added under Chapter 287, RSMo, in 1998 (Section 287.070) and, to date, have had no claims filed pursuant to this section. DGS states, likewise, they are unaware of any past cases filed under workers' compensation for any qualified state peace officer involving treatment or disability due to the exposure of smoke, gases or inadequate oxygen.

**Oversight** assumes costs could exceed \$100,000 in any given fiscal year.

Officials from the **Department of Labor and Industrial Relations (DOL)** note current law (§287.070) contains the provision found in this proposal. DOL states pursuant to §590.100.1(4), RSMo, peace officers include all highway patrolmen and state, county and local law enforcement officers with the power to arrest individuals for violations of criminal law or county or municipal ordinance. Since nearly all, if not all, peace officers in Missouri are self-insured, this proposal only impacts the self-insured employer or group trust self-insuring their workers' compensation liability since they will be required to pay benefits under this proposal. Therefore, no impact on the state Workers' Compensation fund. DOL assumes since the proposal only impacts a limited group of workers, there would not be a need for additional administrative law judges, legal advisors or clerical personnel to administer these cases.

DOL notes there are approximately 20,000 peace officers in Missouri. DOL assumes, based on the limited provisions of the proposal, between zero (0) and two (2) peace officers will have compensable occupational illnesses because of this proposal. DOL assumes if the occupational illness or disease results in Second Injury Fund liability, the annual fiscal impact would be less than \$50,000.

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ASSUMPTION (continued)

**Oversight** notes even though current law (§287.070) contains a similar provision to this proposal, the language in current law is permissive whereas the language in this proposal is mandatory. Therefore, **Oversight** is reflecting a fiscal impact related to passage of the proposal.

**Oversight** assumes there would not be enough people to get sick in a given year to cause costs to the Second Injury Fund to be greater than \$100,000 and therefore assume costs less than \$100,000.

**Oversight** assumes local law enforcement agencies, which are self-insured, could experience increased costs to their Workers' Compensation fund arising from potential increases in out-of-pocket costs and increased contributions to the fund.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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**VARIOUS STATE FUNDS**

<u>Costs – Missouri State Highway Patrol</u>			
Increase in Amounts Paid for Workers' Compensation Cases	<u>(Could Exceed \$100,000)</u>	<u>(Could Exceed \$100,000)</u>	<u>(Could Exceed \$100,000)</u>

**GENERAL REVENUE**

<u>Costs – Office of Administration</u>			
Increase in Amounts Paid for Workers' Compensation Cases	<u>(Could Exceed \$100,000)</u>	<u>(Could Exceed \$100,000)</u>	<u>(Could Exceed \$100,000)</u>

**SECOND INJURY FUND**

<u>Costs – DOL</u>			
Increase in Claims Paid	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>

FISCAL IMPACT - Local Government

FY 2004  
(10 Mo.)

FY 2005

FY 2006

**VARIOUS WORKERS'  
COMPENSATION FUNDS**

Costs – Law Enforcement Agencies

Increase in Out-of-Pocket Costs and

Increase in Contributions Paid to Fund

(Unknown)

(Unknown)

(Unknown)

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal allows peace officers to claim diseases of the respiratory and cardiovascular systems that are due to exposure to smoke, gases, or inadequate oxygen as disabilities for purposes of workers' compensation.

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

SOURCES OF INFORMATION

Department of Labor and Industrial Relations

Office of Administration – General Services

Department of Public Safety

– Capitol Police

– Fire Safety

– Water Patrol

– Liquor Control

– Highway Patrol

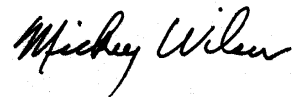
Springfield Police Department

St. Louis Metropolitan Police Department

Columbia Police Department

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**NOT RESPONDING**  
**Jefferson City Police Department**  
**Taney County Sheriff**  
**Reynolds County Sheriff**  
**Greene County Sheriff**

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director

February 4, 2003