

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0932S.02P
Bill No.: Perfected SS for SB 6
Subject: Agriculture, Department of; Business and Commerce; Commerce and Insurance,
Department of; Consumer Protection; Employees - Employers; Environmental
Protection; Insurance - Automobile; Insurance - General; Insurance - Property;
Insurance - Life; Interstate Cooperation; Labor And Management; Natural
Resources, Department of; Securities; Transportation
Type: Original
Date: March 9, 2021

Bill Summary: This proposal enacts provisions relating to insurance.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Petroleum Storage Tank Insurance Fund	\$125,000	\$130,000	\$135,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$125,000	\$130,000	\$135,000

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- ☐ 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 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a similar proposal from this year (SB 310 - §319.131), officials from the **Petroleum Storage Tank Insurance Fund (PSTIF)** assumed this proposal will have a positive fiscal impact of approximately \$125,000 in FY 2022 and thereafter to PSTIF as it would eliminate the need for the Board of Trustees to purchase excess coverage from the private market.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the PSTIF.

Officials from the **Department of Natural Resources**, the **Missouri Department of Transportation**, 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.

In response to a similar proposal from this year (209), officials from the **Department of Commerce and Insurance**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety - Missouri Highway Patrol**, the **Missouri Department of Conservation** and the **Office of Administration** 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.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, they reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
PETROLEUM STORAGE TANK INSURANCE FUND (0585)			
<u>Savings</u> – PSTIF – no longer have to purchase excess coverage from the private market §319.131	<u>\$125,000</u>	<u>\$130,000</u>	<u>\$135,000</u>
ESTIMATED NET EFFECT ON THE PETROLEUM STORAGE TANK INSURANCE FUND	<u>\$125,000</u>	<u>\$130,000</u>	<u>\$135,000</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

A fiscal impact to small life insurance businesses could be expected as a result of this proposal.

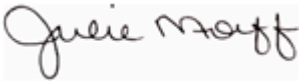
FISCAL DESCRIPTION

Under current law, the Petroleum Storage Tank Insurance Fund assumes costs of 3rd-party claims and cleanup of contamination caused by releases from petroleum storage tanks and pays legal defense costs for eligible 3rd-party claims. This act specifies that the legal defense costs are separate from other coverage limits and allows the Fund to set a limit for such coverage.

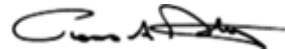
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
Missouri Department of Transportation
Department of Commerce and Insurance
Petroleum Storage Tank Insurance Fund
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
March 9, 2021



Ross Strobe
Assistant Director
March 9, 2021