

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1321H.08F
 Bill No.: HS for HCS for SS for SCS for SB 289
 Subject: Licenses - Miscellaneous; Law Enforcement Officers and Agencies; Workers Compensation; Fire Protection; Labor and Management; Employees - Employers
 Type: Original
 Date: May 10, 2021

Bill Summary: This proposal modifies provisions relating to public safety employees.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	\$0 or Up to (\$5,000,000)	\$0 or (Unknown)	\$0
Total Estimated Net Effect on General Revenue*	\$0 or Up to (\$5,000,000)	\$0 or (Unknown)	\$0

*Subsection 320.400.6 allows a pool to apply to the State Fire Marshal (Department of Public Safety – Division of Fire Safety) for a grant for the purpose of establishing a voluntary firefighter cancer benefits pool. This subsection expires on June 30, 2023. Oversight notes there is currently (5/7/21) a \$5 million appropriation in CCS for SCS for HCS for HB 8 for FY 2022 (8.160). Therefore, Oversight will utilize the \$5 million amount for possible grants from the State Fire Marshall to establish these pools.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

§320.400 – Firefighters who have contracted certain types of cancer

Officials from the **City of Kansas City** assume the provisions of section 320.400.02(11) could have a negative fiscal impact on Kansas City by treating cancer as an on the job injury not covered by workers compensation.

Officials from the **City of Springfield** state if the City of Springfield chooses to participate in the voluntary benefits for firefighters program, the City estimates the bill will impose additional costs of at least \$500,000 per year, although based on the draft language of the bill, the City cannot make a firm determination. Further, it is not clear how the proposed fund will interact with a political subdivision's insurers.

Oversight assumes this proposal creates new provisions relating to certain firefighters who have contracted certain types of cancer as a result of employment as a firefighter and allows local political subdivisions to set up voluntary firefighter cancer benefits pools to make contributions into. A board of trustees (board) will oversee the administration of the pool. Oversight assumes actions by the board could result in unknown costs to local political subdivisions. Oversight assumes the local political subdivision would only establish a pool to benefit certain firefighters and the proposal could be absorbed within their current appropriations. Therefore, Oversight will assume a negative fiscal impact to local political subdivisions and will range the fiscal impact from \$0 (no pool established – bill is permissive) to an unknown cost (contributions into and administration of pool).

Oversight notes that according to subsection 6 of §320.400, the State Fire Marshall may set up a grant for the purpose of establishing a voluntary firefighter cancer benefits pool. This would be subject to appropriations by the General Assembly and the State Fire Marshall would disburse grants to the trust upon receipts of applications. This subsection will expire on June 30, 2023. Oversight notes there is a \$5,000,000 appropriation in CCS for SCS for HCS for HB 8 which was Truly Agreed to and Finally Passed on May 7, 2021. Therefore, for FY 2022, Oversight will reflect a potential cost to the state of \$0 or Up to (\$5,000,000). Oversight will also reflect a potential unknown cost for grants in FY 2023 (§320.400.6 expires June 30, 2023).

In response to similar legislation from 2021 (SB 45), officials from the cities of **Ballwin** and **Bland**, and the **Rolla Rural Fire Protection District** each assumed the proposal will have no fiscal impact on their organization.

Officials from the **Office of Administration - Budget and Planning (B&P)** state this proposal establishes the “Voluntary Firefighter Cancer Benefits Pool”. This provision will impact General Revenue (GR) expenditures to the extent the General Assembly appropriates existing GR dollars to the fund. B&P defers response to DPS on the impact.

In response to similar legislation from 2021 (Perfected SS SB 45), officials from the **Department of Public Safety’s Fire Safety** and the **Office of the State Treasurer** each assumed the proposal will have no fiscal impact on their respective organizations.

In response to similar legislation from 2021 (Perfected SS SB 45), officials from the **Fruitland Area Fire Protection District** responded to the legislation but did not provide a fiscal impact.

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** note 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 their office can sustain within their 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

§590.030 – Peace officer licensure

In response to a previous version (SS SCS SB 289), officials from the **Department of Public Safety – Capitol Police** and the **Missouri Department of Conservation** each assumed the proposal will have no fiscal impact on their respective organizations.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assume the proposal will have no fiscal impact on their organization.

In response to similar legislation from 2021 (HCS HB 839), the **MHP** stated there is no cost associated with law enforcement agency Rap Back Program enrollment, nor for law enforcement officer fingerprint submission.

In response to a previous version (SCS SB 289), officials from the **Crestwood Police Department** and the **Walnut Grove Police Department** each assumed 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.

Bill as a Whole

Officials from the **Department of Health and Senior Services**, the **Department of Natural Resources**, the **Department of Public Safety - Office of the Director**, the **Department of Revenue**, the **Department of Social Services**, the **Office of Administration**, the **State Tax Commission**, the **City of Claycomo**, the **City of Corder**, the **City of O'Fallon**, the **Kansas City Police Department**, the **St. Joseph Police Department**, and the **St. Louis County Police Department** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Attorney General's Office** and the **Department of Labor and Industrial Relations** assumed the proposal will have no fiscal impact on their organization.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other police and sheriff's departments, cities, counties, and fire protection districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Transfer Out – Potential appropriation of funds to DPS/DFS to set up grants to establish a voluntary firefighter cancer benefits pools (§320.400) p. 3-4</u>	<u>\$0 or Up to (\$5,000,000)</u>	<u>\$0 or (Unknown)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0 or Up to (\$5,000,000)</u>	<u>\$0 or (Unknown)</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL FIRE DEPARTMENT FUNDS			
<u>Transfer In – Grants</u> received for a voluntary firefighter cancer benefits pool fund (§320.400) p. 3-4	\$0 or Up to \$5,000,000	\$0 or Unknown	\$0
<u>Costs – May establish a</u> pool to benefit certain firefighters who have certain types of cancer (§320.400) p. 3-4	\$0 or Could exceed (\$5,000,000)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs – Disbursement of</u> funds (§320.400) p. 3-4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LOCAL FIRE DEPARTMENTS	\$0 or (Unknown)	\$0 or (Unknown)	<u>\$0 or (Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

VOLUNTARY FIREFIGHTER CANCER BENEFITS POOL (Section 320.400)

This act allows for the creation of a Voluntary Firefighter Cancer Benefits Pool by three or more political subdivisions. Under the act, any political subdivision may make contributions to a Voluntary Firefighter Cancer Benefits Pool. The board of trustees of any pool created for the purposes of this act is subject to the Sunshine Law. The pool is allowed to make payments to covered individuals based upon the type of cancer with which the covered individual was diagnosed.

Benefits may be reduced by 25% if the covered individual used a tobacco product within the 5 years immediately preceding the cancer diagnosis.

If any individual that receives benefits under this act thereafter receives workers' compensation benefits for the same injury, then the workers' compensation benefits or death benefits shall be reduced 100% by any benefits received from the pool under this act.

Furthermore, the employer in any workers' compensation claim shall be subrogated to the right of the employee or to the dependent or domestic partner to receive benefits from the pool and such employer may recover any amounts which such employee or the dependent or domestic partner would have been entitled to recover from the pool under this act. Any receipt of benefits from the pool under this act shall be treated as an advance payment by the employer, on account of any future installments of workers' compensation benefits.

Any pool created for the purposes of this act may accept or apply for grants or donations from any private or public source. Furthermore, any such pool may apply for grants from the state fire marshal. This provision expires June 30, 2023.

The act also amends a provision of law relating to disbursement of grants to volunteer fire protection association workers' compensation insurance premiums for volunteer firefighters. Current law requires the State Fire Marshal to disburse such grants to any applying association. This act permits such disbursement.

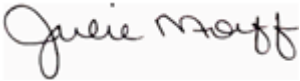
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

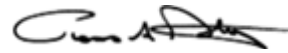
Attorney General's Office
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Natural Resources
Department of Public Safety
Department of Revenue
Department of Social Services
Joint Committee on Administrative Rules
Missouri Department of Conservation
Office of Administration - Budget and Planning
Office of the Secretary of State
Office of the State Treasurer
State Tax Commission
City of Ballwin
City of Bland
City of Claycomo

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City of Corder
City of Kansas City
City of O'Fallon
City of Springfield
Rolla Rural Fire Protection District
Fruitland Area Fire Protection District
Crestwood Police Department
Kansas City Police Department
St. Joseph Police Department
St. Louis County Police Department
Walnut Grove Police Department



Julie Morff
Director
May 10, 2021



Ross Strobe
Assistant Director
May 10, 2021