

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4030-01
Bill No.: SB 621
Subject: Workers' Compensation
Type: Original
Date: February 5, 2018

Bill Summary: This proposal modifies provisions relating to workers' compensation for firefighters.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Workers' Compensation Administrative Fund	(\$66,825)	(\$13,699)	(\$14,041)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$66,825)	(\$13,699)	(\$14,041)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Labor and Industrial (DOLIR)** assume they can absorb any costs relating to the creation of new correspondence types, forms and Website changes or modifications to existing forms based upon this proposal.

The legal ramifications of the proposal are unknown at this time and therefore, the effect of any judicial pronouncements and costs associated with this legislation would be seen in fiscal years beyond the fiscal note period.

The Information Technology Services Division (ITSD) assumes modifications will be made to AICS to accommodate the purposed change. It is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity.

ITSD estimated 891 hours at \$75 per contract hour, or \$66,825 in FY2019, \$13,699 in FY2020, and \$14,041 in FY2021.

Officials at the **City of Kansas City** assume the proposal will have a significant impact on the City, as well as they have the largest number of firefighters in the State of Missouri and they are all exposed to hazardous substances during the course and scope of their occupational duties. The workers' compensation costs for medical care, wage loss payments and payments for permanent partial or permanent total disability will increase substantially.

Officials from the **City of Springfield** assume the proposal has a potential negative fiscal impact. The impact is unquantifiable without knowing the increase with respect to the number of persons who will be diagnosed as having an occupational disease, as described by statute, however, the loss is likely more than \$100,000.

Officials from the **Department of Public Safety-Division of Fire Safety, Department of Public Safety-Missouri Highway Patrol, Office of Administration-General Services and Department of Corrections** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Jackson County Board of Election Commissioners, St. Louis County Board of Election Commissioners, St. Louis County, and Boone County** each assume no fiscal impact on their respective organizations.

ASSUMPTION (continued)

Officials from the following **cities**: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark City, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O’Fallon, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, St. Charles City Administrator, St. Louis City Budget Division, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight’s** request for fiscal impact.

Officials from the following **counties**: Andrew, Atchison, Audrain, Barry, Benton, Bollinger, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Clinton, Cole, Cooper, Davies, Dekalb, Dent, Franklin, Greene, Holt, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Warren, Wayne, and Worth did not respond to **Oversight’s** request for fiscal impact.

Officials from the following **fire protection districts**: Battlefield Fire Protection District, Central County Fire and Rescue, Centralia Fire Department, Creve Coeur Fire District, Hawk Point Fire Protection District, Hillsboro Fire Protection District, Lake St. Louis Fire District, Mehlville Fire District, Nixa Fire Protection District, Saline Valley Fire Protection District, and the Southern Iron County Fire Protection District did not respond to **Oversight’s** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
WORKERS’ COMPENSATION ADMINISTRATION FUND			
<u>Cost - DOLIR</u>			
ITSD Equipment and Expense	<u>(\$66,825)</u>	<u>(\$13,699)</u>	<u>(\$14,041)</u>
ESTIMATED NET EFFECT ON WORKERS’ COMPENSATION ADMINISTRATION FUND	<u>(\$66,825)</u>	<u>(\$13,699)</u>	<u>(\$14,041)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> Workers' Compensation Claims	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act modifies provisions relating to workers' compensation for firefighters.

Under current law, certain diseases of the lungs and heart may be recognized as occupational diseases for the purposes of workers' compensation laws and are defined to be a disability for paid firefighters. This act modifies that provision to include volunteer firefighters.

Under this act, cancer contracted by a firefighter shall be presumed as an occupational disease under the following circumstances:

The firefighter is a paid or volunteer firefighter who has been assigned to at least 5 years of hazardous duty as a firefighter;

The firefighter was exposed to an agent classified by the International Agency for Research on Cancer, or its successor organization, as a group 1 or 2A carcinogen, or is classified as a cancer causing agent by a designated entity;

Twenty years have not elapsed since the firefighter was last assigned to hazardous duty as a firefighter; and

The firefighter is not 70 years of age or older at the time of the diagnosis of cancer.

This presumption may be rebutted.

FISCAL DESCRIPTION (continued)

This provision shall only apply to claims filed on or after August 28, 2018.

The act requires the Division of Workers' Compensation to prepare a biennial report on claims of cancer as an occupational disease. The initial report shall be made no later August 28, 2020.

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 Labor and Industrial Relations
Division of Fire Safety
Missouri Highway Patrol
Department of Corrections
Office of Administration-General Services
City of Kansas City
St. Louis County Board of Election Commissioners
Boone County
St. Louis County
Jackson County Board of Election Commissioners
City of Springfield

Ross Strobe



Acting Director
February 5, 2018