

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1496-01
Bill No.: SB 281
Subject: Workers' Compensation
Type: Original
Date: February 12, 2019

Bill Summary: This proposal creates new provisions relating to occupational diseases diagnosed in first responders.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Labor and Industrial Relations, Department of Public Safety-State Emergency Management Agency, Department of Corrections, Department of Public Safety-Missouri State Highway Patrol,** and the **Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Springfield Police Department** and **Boone County Sheriff's Department** assume the proposal will have no fiscal impact on their organization.

Oversight notes that the Department of Labor and Industrial Relations, Department of Public Safety-State Emergency Management Agency, Department of Corrections, Department of Public Safety-Missouri State Highway Patrol, Department of Transportation, Springfield Police Department, and Boone County Sheriff's Department have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Officials from the **Department of Public Safety-Capitol Police** did not respond to Oversight's request for fiscal impact.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local law enforcement, fire protection districts, ambulance districts, and emergency responders were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

Oversight, upon review, realized that this could impact the Office of Administration (OA), as well as cities and counties and sent them a request for information on February 12, 2019. As of the printing of this fiscal note, Oversight has not received a response from OA or the political subdivisions (except for Kansas City below). However, Oversight assumes this proposal could increase the number of workers compensation claims. Therefore, Oversight will reflect a potential unknown amount of cost to the state and political subdivisions.

Officials from the **City of Kansas City** state this will have a significant negative financial impact on the City, as we have the largest number of firefighters in the State of Missouri and they are all exposed to stressful events 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.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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GENERAL REVENUE FUND

<u>Costs</u> - potential increase in workers compensation claims for occupational diseases of first responders	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
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ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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POLITICAL SUBDIVISIONS

<u>Costs</u> - potential increase in workers compensation claims for occupational diseases of first responders	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO THE POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act provides that if, preceding the date of injury or death, an employee who is on active duty as a first responder is diagnosed with a mental impairment and such person was not previously diagnosed such an impairment, then the impairment shall presumptively be considered an occupational disease and shall be presumed to have arisen out of and in the course of employment. This presumption may be rebutted by the employer or insurer.

FISCAL DESCRIPTION (continued)

One or more compensable mental impairment claims arising out of a single accident shall constitute a single injury. Furthermore, a mental impairment shall not be considered an occupational disease if it results from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion, termination, retirement, or similar action taken in good faith by the employer.

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
Department of Public Safety-State Emergency Management Agency
Department of Corrections
Department of Public Safety-Missouri State Highway Patrol
Department of Transportation
Springfield Police Department
Boone County Sheriff's Department



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February 12, 2019

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