

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0356S.03I
 Bill No.: SB 45
 Subject: Fire Protection; Political Subdivisions
 Type: Original
 Date: February 12, 2021

Bill Summary: This proposal creates new provisions relating to certain firefighters who have contracted certain types of cancer as a result of employment as a firefighter.

FISCAL SUMMARY

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

*Subsection 120.400.6 allows the trusts to apply to the State Fire Marshal (Department of Public Safety – Division of Fire Safety) for a grant for the purpose of establishing voluntary firefighter cancer benefits trusts. This subsection expires on June 30, 2022. Oversight assumes DPS may, depending upon appropriations, distribute more than \$250,000 in grants in FY 2022.

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **City of Kansas City** assume the legislation could have a negative fiscal impact on Kansas City if it leads to an increase of workers' compensation claims. There is a concern in §320.400.02(12) which states that the employer's policies and benefits will treat a cancer diagnosis as on-the-job but that will not affect a workers' compensation determination. The city notes this section of the proposal to be contradictory.

Officials at the **City of Springfield** estimate the bill will impose additional costs of at least \$1,000,000 per year, although based on the 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 contacted the City of Springfield regarding the additional costs in their response. These costs do not relate to workers' compensation claims and the city has also revised their response from \$1,000,000 to \$500,000 in costs per year. This cost would occur should the city participate in a trust.

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 a voluntary firefighter cancer benefits trust to make contributions into. A board of trustees (board) will oversee the administration of the trust. 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 trust 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 trust established – bill is permissive) to an unknown cost (contributions into and administration of trust).

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, we 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, we 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.

Officials from the **Department of Health and Senior Services** and the **Attorney General's Office** 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 similar legislation from this year, HB 760, officials from the **Department of Public Safety's Fire Safety** and the **Department of Labor and Industrial Relations** each 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.

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 trust. 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, 2022. Oversight has reflected the cost of this grant in the fiscal impact chart below.

Officials from the cities of **Ballwin, Bland, Claycomo, Corder, and O'Fallon** and the **Rolla Rural Fire Protection District** each assume 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other 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			
<u>Transfer Out</u> – potential appropriation of funds to DPS/DFS to set up a grant to establish a voluntary firefighter cancer benefits trusts	<u>\$0 or (Unknown)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 or (Unknown)</u>	<u>\$0</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</u> – grants received for a voluntary firefighter cancer benefits trust fund	<u>\$0 or Unknown</u>	<u>\$0</u>	<u>\$0</u>
<u>Costs</u> – may establish a trust to benefit certain firefighters who have certain types of cancer	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<u>Costs</u> – disbursement of funds	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL FIRE DEPARTMENTS	<u>\$0 or Unknown to (Unknown)</u>	<u>\$0 or (Unknown)</u>	<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

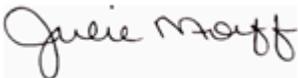
This act also allows for the creation of a Voluntary Firefighter Cancer Benefits Trust. Under the act, any municipality or special district that employs firefighters who meet certain qualifications may make contributions to a Voluntary Firefighter Cancer Benefits Trust. The board of trustees of any trust created for the purposes of this act is subject to the Sunshine Law. The trust is then required to make payments to covered individuals based upon the type of cancer with which the covered individual was diagnosed. The maximum amount that may be paid out from the trust for a particular cancer diagnosis in a covered individual is \$249,000. Benefits may be reduced by 25% if the covered individual used a tobacco product within the 5 years immediately preceding the cancer diagnosis.

Any trust created for the purposes of this act may accept or apply for grants or donations from any private or public source. Furthermore, any such trust may apply for grants from the state fire marshal. This provision expires June 30, 2022.

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

City of Kansas City
City of Springfield
Joint Committee on Administrative Rules
Office of the Secretary of State
Department of Health and Senior Services
Department of Public Safety - Fire Safety
Department of Labor and Industrial Relations
Attorney General's Office
City of Ballwin
City of Corder
City of O'Fallon
City of Hale
Lexington Fire & Rescue
St. Clair Fire Protection District
City of Bland
City of Claycomo
Rolla Rural Fire Protection District



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