

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3300S.02I  
Bill No.: SB 920  
Subject: Workers' Compensation  
Type: Original  
Date: March 4, 2022

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Bill Summary: This proposal modifies provisions relating to employee liability under Workers' Compensation laws.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- ☐ 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume this proposal would not have a direct fiscal impact on their organization.

Additionally, there is the possibility of a slight increase to the cost of workers' compensation premiums for employers covered by the legislation since it makes it more difficult for claimants to sue co-employees in civil court unless the co-employee's act was willful and intentional rather than merely negligent. This would have the net effect of keeping cases of co-employee liability involving negligence within the workers' compensation system, potentially leading to a slight increase in premiums. However, there should also be less likelihood that cases of co-employee liability would be filed in circuit court, potentially shielding employers from the prospect of large civil judgments and unexpected business costs due to litigation.

It should be noted that even when claimants recover damages against liable third parties for their work comp injuries, insurers/employers are entitled to subrogation for a portion of those damages recovered. RSMo. 287.150. It is difficult to determine how often insurers seek subrogation owing to the difficulty of recovery and the possible disruption of the employer/employee relationship with their insured.

Officials from the DOLIR 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.

Officials from the **Missouri Department of Conservation** assume the proposal would have direct fiscal impact on their respective organization of Unknown negative fiscal impact but likely less than \$250,000.

**Oversight** notes that, as per DOLIR statement, it is more difficult for claimants to sue co-employees in civil court unless the co-employee's act was willful and intentional rather than merely negligent.

**Oversight** assumes MDC would not be directly impacted by a material amount by this proposal.

Officials from the **Attorney General's Office, Office of Administration – Budget & Planning, Department of Economic Development, the Department of Elementary and Secondary Education, the Department of Higher Education and Workforce Development, the Department of Natural Resources, the Department of Corrections, the Department of Revenue, the Department of Public Safety – (Alcohol and Tobacco Control, Capital Police, Fire Safety, Director's Office, National Guard, Veterans Commission, State Emergency Management Agency), the Missouri Department of Agriculture, the Department of Social**

**Services, the Missouri Ethics Commission, the Missouri Department of Transportation & Patrol Employees' Retirement System, the Office of the Governor, the Office of the State Auditor, the Office of the State Treasurer, the Missouri House of Representatives, the Missouri Senate, the Joint Committee on Education, the Joint Committee on Public Employee Retirement, the Legislative Research, the Oversight Division, the Missouri Lottery, the Missouri Consolidated Health Care Plan, the Missouri Office of Prosecution Services, the Missouri State Employee's Retirement System, the Office of the State Courts Administrator, and the State Tax Commission** each assume the proposal would not have a direct fiscal impact on their respective organizations.

Officials from the **Missouri Department of Transportation (MoDOT)** assume the proposal would not have a direct fiscal impact on their organization.

Officials from the MoDOT 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 for the abovementioned organizations.

Officials from the **Department of Public Safety – Highway Patrol** defer to the MoDOT for the potential fiscal impact of this proposal.

Officials from the **Office of Administration (OA)** assumed the proposal will have no fiscal impact on their organization.

Officials from the **Office of Administration - Administrative Hearing Commission** assume the proposal will have no fiscal impact on their organization.

Officials from the OA and OA-AHC 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** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Officials from the **Department of Health and Senior Services** and **Department of Mental Health** both defer to the **Office of Administration (OA)** for the potential fiscal impact of this proposal.

Officials from the **Missouri University System** and **Missouri State University** both assume this proposal would not have a direct fiscal impact on their respective organizations.

Officials from the **University of Central Missouri (UCM)** assume the proposal will have an indeterminate fiscal costs due to uncertainty of application.

**Oversight** assumes UCM is provided with core funding to handle a certain amount of activity each year. Oversight assumes UCM could absorb the costs related to this proposal. If multiple

bills pass which require additional staffing and duties at substantial costs, UCM could request funding through the appropriation process.

Officials from the **Eastern Clay Ambulance District** assume that any changes in the statutes interacting with collection of the property tax could have a direct impact on the organizational funding.

**Oversight** notes that above organization could see a slight increase to the cost of workers' compensation premiums for employers covered by the legislation as noted by DOLIR.

**Oversight** assumes Eastern Clay Ambulance District is provided with core funding to handle a certain amount of activity each year. Oversight assumes the Eastern Clay Ambulance District could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, the Ambulance District could request funding through the appropriation process.

Officials from the **City of Kansas City, City of Springfield, Phelps County Sheriff Department, Kansas City Police Department, Springfield Police Department, Saint Louis Police Department**, and the **Crawford County 911 Board** each assume this proposal would not have a direct fiscal impact on their respective organizations.

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 (SOS)** assume [that] many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS 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 the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with its core budget. Therefore, the SOS 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.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other state agencies, cities, counties, schools, and colleges were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### FISCAL IMPACT – Small Business

Small businesses could see a slight increase to the cost of workers' compensation premiums for employers covered by the legislation as noted by DOLIR.

### FISCAL DESCRIPTION

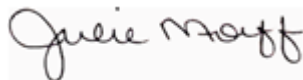
This bill states that an employee is not to be released from liability if the employee engaged in a willful act with the intent to cause bodily injury or death. Currently, employees are immune for damages involving bodily injury or death unless they commit an affirmative negligent act that causes or increases the risk of injury.

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

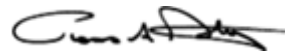
### SOURCES OF INFORMATION

Department of Labor and Industrial Relations  
Missouri Department of Conservation  
Attorney General's Office  
Office of Administration – Administrative Hearing Commission  
Office of Administration – Budget & Planning  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Higher Education and Workforce Development  
Department of Natural Resources  
Department of Corrections  
Department of Revenue  
Department of Public Safety  
Missouri Department of Agriculture

Department of Social Services Missouri Ethics Commission  
MoDOT & Patrol Employees' Retirement System  
Office of the Secretary of State  
Office of Administration  
Missouri Department of Transportation  
Office of the Governor  
Office of the State Auditor  
Office of the State Treasurer  
Missouri House of Representatives  
Missouri Senate  
Joint Committee on Administrative Rules  
Joint Committee on Education  
Joint Committee on Public Employee Retirement  
Legislative Research  
Oversight Division  
Missouri Lottery  
Missouri Consolidated Health Care Plan  
Missouri Office of Prosecution Services  
Missouri State Employee's Retirement System  
Office of the State Courts Administrator  
State Tax Commission  
Office of the Secretary of State  
Department of Mental Health  
University of Central Missouri  
City of Kansas City  
City of Springfield  
Phelps County Sheriff Department  
Kansas City Police Department  
Springfield Police Department  
Saint Louis Police Department  
Crawford County 911 Board  
Eastern Clay Ambulance District



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