

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0566S.01I
 Bill No.: SB 215
 Subject: Administrative Law; Civil Procedure; Liability
 Type: Original
 Date: February 3, 2023

Bill Summary: This proposal establishes provisions relating to Alternative Dispute Resolution.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
State Road Fund	\$0 or Unknown, less than \$100,000	\$0 or Unknown, less than \$100,000	\$0 or Unknown, less than \$100,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Unknown, less than \$100,000	\$0 or Unknown, less than \$100,000	\$0 or Unknown, less than \$100,000

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§435.300, 435.303, 435.306, 435.309 & 435.312 – Alternative Dispute Resolution

Officials from the **Missouri Department of Transportation (MoDOT)** assume the proposal will have no fiscal impact on their organization.

Oversight notes MODOT responded to similar legislation in 2022, HB 2660, as follows:

Officials from MoDOT assumed the proposal will have an unknown positive impact of \$0 to less than \$100,000 per year to the State Road Fund as the Fund could benefit from mandatory arbitration from tort claims. Oversight has inquired with MoDOT regarding the difference in responses.

Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. 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. Therefore, Oversight will reflect MODOT's response from the prior year for this fiscal note.

Officials from the **Office of the Secretary of State (SOS)** note 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 reserves 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 **Office of the State Courts Administrator**, the **Attorney General's Office**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Social Services**, the **Department of Health and Senior Services**, the **Missouri Department of Conservation**, the **Office of Administration** and the **Joint Committee on Administrative Rules** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
STATE ROAD FUND			
<u>Savings</u> – MODOT – could benefit mandatory arbitrations on tort claims	<u>\$0 or Unknown, less than \$100,000</u>	<u>\$0 or Unknown, less than \$100,000</u>	<u>\$0 or Unknown, less than \$100,000</u>
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	<u>\$0 or Unknown, less than \$100,000</u>	<u>\$0 or Unknown, less than \$100,000</u>	<u>\$0 or Unknown, less than \$100,000</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

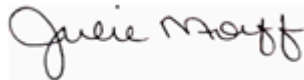
FISCAL DESCRIPTION

This proposal modifies provisions relating to alternative dispute resolution.

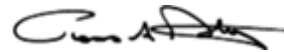
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Transportation
Office of the Secretary of State
Department of Commerce and Insurance
Department of Health and Senior Services
Department of Mental Health
Department of Social Services
Missouri Department of Conservation
Office of Administration
Joint Committee on Administrative Rules
Office of the State Courts Administrator
Attorney General's Office



Julie Morff
Director
February 3, 2023



Ross Strobe
Assistant Director
February 3, 2023