

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1080H.08T  
Bill No.: Truly Agreed To and Finally Passed HCS for SS for SB 24  
Subject: Mental Health; Emergencies; Ambulances and Ambulance Districts; Employees - Employers  
Type: Original  
Date: June 12, 2023

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Bill Summary: This proposal modifies provisions relating to vulnerable persons.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
General Revenue* # **	(Could exceed \$266,460)	(Could exceed \$532,919)	(Could exceed \$532,919)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Could exceed \$266,460)</b>	<b>(Could exceed \$532,919)</b>	<b>(Could exceed \$532,919)</b>

\*Oversight assumes any potential 1% collection fees retained by the Department of Revenue due to an increase in local sales tax from this bill would not reach the \$250,000 threshold.

#Oversight notes §161.244 allows DESE to provide grants directly to private entities for the provision of early childhood education services. Oversight reflected a fiscal impact of \$0 or an unknown amount, depending upon appropriations.

\*\*This proposal (§287.715) extends the sunset date of an up to a 1% supplemental surcharge allowance paid into the Second Injury Fund, currently it is set to expire on December 31, 2023. The proposal extends the date to 2026.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Workers' Compensation	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Other State	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
State Road	Up to (\$45,000)	Up to (\$90,000)	Up to (\$90,000)
Second Injury	Up to \$8,144,251	Up to \$16,288,501	Up to \$16,288,501
Colleges & Universities	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Less than \$8,144,251</b>	<b>Less than \$16,288,501</b>	<b>Less than \$16,288,501</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</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 2024</b>	<b>FY 2025</b>	<b>FY 2026</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 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>(Unknown – potentially significant)</b>	<b>(Unknown – potentially significant)</b>	<b>(Unknown – potentially significant)</b>

Numbers within parentheses: () indicate costs or losses.

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§§67.145, 70.631, 170.310, 190.091, 650.320, 650.330, and 650.340 – Telecommunicator first responders**

Officials from the **Department of Health and Senior Services (DHSS)** state §650.340.8 (1) of the proposed legislation, directs the DHSS to include an advance health care directive form with instructions on completion on it's website as described in §459.015. Included on the form shall be a listing of possible uses for an advance health care directive including pain management and nonopioid measures.

It is assumed that the Department can absorb the costs of this bill with current resources. However, if the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process.

**Oversight** does not have any information to the contrary. Oversight assumes the DHSS has sufficient staff and resources available to absorb the minimal additional duties and costs associated with creating and implementing on its website an advance health care directive and will, therefore, reflect no fiscal impact for this agency for these sections.

In response to similar legislation (SS for SCS for SB 45), officials from the **Branson Police Department**, the **St. Joseph Police Department** and the **Cole Camp Ambulance District** each assumed the proposal will have no fiscal impact on their respective organizations.

In response to similar legislation from 2023 (HB 567), officials from the **Local Government Employees Retirement System (LAGERS)** 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 for these sections.

#### **§§67.145, 105.500, 190.100, 190.103, 190.142, 190.147, 192.2405, 208.1032, 285.040, 321.225, 321.620 and 537.037 – Emergency medical services**

In response to similar legislation SB 625, officials from the **Branson Police Department** assumed the proposal would 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 these sections.

#### **§§135.327, 135.331 & 135.333 - Adoption Tax Credit**

Officials from the **Office of Administration – Budget & Planning (B&P)** assume this proposal would make multiple changes to the adoption tax credit. This proposal would remove the annual \$6 million redemption cap and change the tax credit to refundable beginning with fiscal year 2025.

B&P notes that the average 3-year redemption amount from FY20 – FY22 was \$17,568. In addition, credit redemptions have been \$1 million or less since 2012. Therefore, B&P estimates that this proposal may have an unknown negative impact on TSR and GR beginning FY25.

Officials from the **Department of Revenue (DOR)** note the Adoption tax credit program allows taxpayers who adopt a child to get a tax credit for non-recurring expenses that result from the adoption. Additionally, businesses that help cover the cost of their employee's adoptions can receive the credit also. This program has a \$6 million annual cap with a limit of \$10,000 per child.

This proposal, starting July 1, 2024, removes the \$6 million annual cap and makes it unlimited and it will allow the \$10,000 child cap to be inflated in the future by the CPI. Additionally, this proposal allows the credit to be refunded to taxpayers starting January 1, 2024. While this may encourage more people to apply for this credit, it has not been near its \$6 million cap. Therefore, the DOR assumes this will not have any additional impact on DOR.

For informational purposes, DOR notes that the Adoption tax credit started in 1987. It has gone through numerous changes through the years. Most recently in 2021 when the cap on the program was raised from \$2 million to \$6 million annually. The DOR is providing the amount of credits, issued and redeemed over the last few years.

Table 1.

Year	Issued	Total Redeemed
FY 2022	\$19,690	\$19,690
FY 2021	\$3,611	\$3,611
FY 2020	\$29,404	\$29,404
FY 2019	\$19,185	\$19,185
FY 2018	\$88,706	\$88,706
FY 2017	\$127,211	\$127,211
FY 2016	\$225,358	\$231,367
FY 2015	\$380,715	\$380,715
FY 2014	\$714,857	\$718,495
FY 2013	\$744,155	\$744,155
FY 2012	\$1,036,226	\$1,036,226
<b>TOTALS</b>	<b>\$3,389,118</b>	<b>\$3,398,765</b>

This proposal will require the DOR to update the information on forms, website and computer. These changes are estimated at \$7,193.

**Oversight** assumes DOR will be able to absorb the cost of the internal updates; therefore, Oversight will reflect a zero impact for DOR in the fiscal note for these sections.

**Oversight** notes §135.331 states that no credit shall be allowable for the adoption of any child who has attained the age of eighteen, unless it has been determined that the child has a medical condition or disability (changed from “handicap”).

**Oversight** provides that §135.333 allows after January 1, 2024, any amount of tax credit that is issued and which exceeds the tax due shall be refunded to the taxpayer. However, for tax years ending on or before December 31, 2023, any amount of tax credit which exceeds the tax due shall not be refunded, but instead carried over up to maximum of 5 years.

**Oversight** notes the most recent data (regarding the adoptions of children with or without special needs) for state of Missouri from FY 2012 to FY 2019 as follows:

Table 2.

Missouri State	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Adopted	1,170	1,212	1,228	1,233	1,291	1,357	1,591	1,541	1,798	1,820
Waiting for Adoption	1,992	2,056	2,067	2,162	2,325	2,513	2,584	2,825	2,783	2,745

Source: <https://www.acf.hhs.gov/acf-data-research?keyword=special+needs>

There was an average of 1,424 children adopted each year from 2010 to 2019.

**Oversight** notes the “adopted” children (shown above) represent an estimated count of all children adopted, with public child welfare agency involvement, during the federal fiscal year. An individual child is counted only once for each year, even if (in rare cases) the child was adopted multiple times during the year. In cases when an individual child is adopted in one year and then adopted again in a subsequent year, he or she is included in the count of adoptions for both years.

**Oversight** notes that under current law, a tax credit is available for taxpayers who:

- Adopt a special needs child in an amount up to \$10,000 for nonrecurring adoption expenses.
- A business entity that provides funds to an employee to enable the employee to adopt a special needs child can also receive a tax credit up to \$10,000 for nonrecurring expenses paid.

- As of January 1, 2022, restriction that this tax credit be only for the adoption of special needs was removed, and the law allows for the adoption of any child. (HB 429 merged with HB 430 – 2021)

Section 135.327 provides that for tax years ending on or before December 31, 2023, priority shall be given to applications to claim the tax credit for special needs children who are residents or wards of residents of this state at the time the adoption is initiated.

Furthermore, for tax years beginning on or after January 1, 2024, there shall be no limit imposed on the cumulative amount of tax credits that may be claimed by taxpayers claiming the credit for nonrecurring adoption expenses. (Currently the cap is set at \$6 million per year)

**Oversight** notes there were 20 taxpayers claiming the tax credit, from FY 2019 to FY 2022. Additionally, the taxpayers redeemed total amount of \$71,890 in tax credit within the same period. Therefore, the average redemption amount was \$3,595 (\$71,890/20) in tax credits on average. (See DOR table below – [Special Needs Children Adaption - Tax Credit Form Analysis](#))

Table 3.

	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 ACTUAL
Certificates Issued (#)	0	0	0	0
Projects (#)	7	8	2	3
Amount Authorized	\$0	\$0	\$0	\$0
Amount Issued	\$0	\$0	\$0	\$0
Amount Redeemed	\$19,185	\$29,404	\$3,611	\$19,690
<b>Total Redeemed FY 19, 20, 21, 22</b>				<b>\$71,890</b>
<b>Total Projects FY 19, 20, 21, 22</b>				<b>20</b>

**Oversight** notes the changes made in HB 429 from 2021 were only implemented starting January 1, 2022, therefore, Oversight does not have enough information to determine the actual increase in tax credits from the changes in that bill (increasing the cap from \$2 million to \$6 million and opening the credit up to children who are not considered special needs) has been. Oversight assumes the changes in this proposal may cause an additional upward trend in tax credit redemptions. However, the average adoption tax credit redemptions per year (before the changes from HB 429 – 2021 have been implemented) were only \$17,973 per year. Therefore, Oversight assumes the various changes in the bill are unknown and could increase redemptions by the \$250,000 threshold in a given year.

**Oversight** notes the modifications to the Special Needs Adoption Tax Credit proposed in this legislation would begin January 1, 2024. Tax returns for Tax Year 2024 would not be filed until

after January 1, 2025 (Fiscal Year 2025). Therefore, for purposes of this fiscal note, Oversight will show a reduction to GR equal to a range, beginning at \$0 (participation in the tax credit program does not change) to an unknown amount in Fiscal Year 2025.

Officials from the **Department of Commerce and Insurance (DCI)** assume a potential unknown decrease of premium tax revenues (up to the tax credit limit established in the bill) in FY2025 and FY2026 as a result of the modification of Adoption tax credit. Premium tax revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year and which insurers will qualify for the new tax credit. **Oversight** assumes for fiscal note purposes that all credits will be taken against income taxes.

#### §161.244 – Grants for early childhood education

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the provisions of this section will have no fiscal impact to DESE. DESE plans to oversee the new grants with FTE approved for the FY 2024 budget. **Oversight** will not show an administrative fiscal impact for this section; however, Oversight will show a potential amount of General Revenue appropriations for grants.

#### Repeals §190.134 and implements §§190.100, 650.320, and 650.340 – Emergency medical dispatchers

In response to similar legislation, SB 449, officials from the **St. Joseph Police Department** and the **Webster Groves Fire Department** each assumed the proposal would 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 sections.

#### §190.327 – Jefferson County 911 board tax

Officials from the **Department of Revenue (DOR)** state that on July 9, 2019, SB 291 was signed into law. This law prohibited the Jefferson County 9-1-1 Board from having a sales tax greater than one quarter of one percent for 911 services. SB 291 delineated only Jefferson County as prohibited from having a sales tax greater than one-quarter of one percent.

When SB 291 was signed into law, Jefferson County had already been collecting the one-half of one percent sales tax. The citizens of Jefferson County had, in the April of 2009, adopted a one-half of one percent sales tax to fund 911 services and the sales tax contained a 10 year sunset provision. Then again, on April 2, 2019, the citizens of Jefferson County voted to renew the one-half of one percent sales tax for 911 services and removed the 10 year sunset from the tax,



making the tax permanent. A lawsuit was filed and Jefferson County was allowed to continue collecting the one-half of one percent tax pending the decision in the lawsuit.

This proposal would remove this prohibited language from statutes and allow the voted on sales tax in Jefferson County to continue. It should be noted that Jefferson County brought in approximately \$11 million from the one-half of one percent sales tax in 2022. No additional fiscal impact is expected since they are already collecting the tax. This will not have any administrative impact on DOR.

**Oversight** notes this section repeals the provision which provides that a sales tax for emergency services or for providing central dispatching for emergency services shall not be greater than one-quarter of one percent in Jefferson County. Therefore, Oversight will present a \$0 (no change in sales tax) to Unknown (increase in sales tax) impact for Jefferson County and a \$0 (no change in sales tax) to Unknown (increase in 1% collection fee) impact for the General Revenue Fund.

§§190.460 and 650.335 - Prepaid wireless phone service charge

Officials from the **Department of Revenue (DOR)** state the law in §190.460, as of January 1, 2019, allows for the collection of a prepaid wireless emergency telephone service charge on each retail transaction. However, if a county or city chose to adopt an ordinance they could stop the collection of this wireless emergency charge in their political subdivision. If a county or city had prohibited the collection of the fee and then wanted to change their mind they had to have reinstated the change by November 15, 2019. This proposal allows any city or county to pass the ordinance at any time as long as notice is provided to DOR within 60 days of passage. Therefore, a city or county would now be allowed to change their mind about the tax in the future. DOR notes that its records indicate this would pertain to Platte County only.

Section 650.335 currently provides that Poplar Bluff in Butler County may submit an application for loan funds or other financial assistance to the board for the purpose of financing all or a portion of the costs of 911 services. This proposal adds language that would allow the regional planning commission identified in §70.515 to also submit an application. The commission identified in §70.515 is the “Regional Investment District Compact” which is an agreement between Missouri and Kansas to work on regional programs and initiatives to benefit and service the Kansas City metropolitan areas.

These provisions will not administrative or fiscally impact DOR.

In response to similar legislation (SS for SCS for SB 46), officials from the **Kansas City Police Department** and the **St. Louis County Police Department** each assumed 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.

Based on agency responses to similar legislation (SS for SCS for SB 46), **Oversight** assumes these sections will have no fiscal impact on state or local governments.

§§190.1010 and 320.400 – Provision of resources to first responders for mental health;  
§287.245 – Voluntary critical illness benefit pools

Officials from the **Rock Community Fire Protection District Retirement Fund** assume the proposal would have an unknown, positive fiscal impact on their organization.

Officials from the **Morgan County Public Water Supply District #2** assume the proposal will have a fiscal impact on their organization. However, they are unsure whether the impact will be positive or negative and, therefore, assume an unknown impact.

Officials from the **Public Education Employees' Retirement System (PEERS)** state this proposal has no substantial fiscal or operational impact on the Public School Retirement System (PSRS) or PEERS of Missouri.

In response to the previous version of this proposal, officials from the **Kansas City Police Department** and the **Cole Camp Ambulance District** each assumed 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.

**Oversight** notes creating or contributing to a pool is voluntary; therefore, Oversight will not reflect a fiscal impact for the changes to Sections 287.245 & 320.400.

In response to the previous version of this proposal, officials from the **Branson Police Department** responded but did not provide a statement of fiscal impact. Therefore, **Oversight** assumes no fiscal impact for this organization.

§287.067 – Establishes post-traumatic stress disorder as an occupational disease

In response to similar legislation (SB 120), officials from the **Department of Labor and Industrial Relations (DOLIR)** assumed the proposal would not have a direct fiscal impact on their organization.

**Oversight** notes that in response to the similar proposal, HB 1249 (2021), DOLIR elaborated on the proposal and determined that a change in coverage will not cost DOLIR/Division of Workers' Compensation (DWC) more money to administer. Additionally, since the vast majority of "first responders" are public employees (not small business employees), this legislation should not have a significant impact on private businesses (regardless of whether the premiums for public employers may or may not rise).

**Oversight** has requested additional information from the DOLIR regarding their no impact response and the potential of this legislation expanding workers compensation claims. Upon the

receipt of this information, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note if needed. In the meantime, Oversight will assume a \$0 to negative unknown impact to the Worker's Compensation Fund for this proposal.

**Oversight** assumes DOLIR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOLIR could absorb the costs to administer this part of the proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOLIR could request funding through the appropriation process. Therefore, Oversight will note a \$0 fiscal impact to DOLIR for purposes of this section of the fiscal note.

Officials from the **Office of Administration (OA)** state §287.069.9 of this legislation creates a provision that PTSD is recognized as an occupational disease for first responders, as defined in 67.145. This change may affect the proof requirements to establish a compensable injury for first responders with workers' compensation claims based on PTSD. The costs to the state are unknown. The amount of cost increase, if any, cannot be estimated as it would depend on the facts and circumstances of each case and judicial interpretation of the changes.

**Oversight** notes, for illustrative purpose of this note, but excluding any proposals with data including 2020 thru 2022 due to the COVID-19, South Carolina (SC) passed a similar bill, S429 (2016). The SC General Assembly noted the "this bill would have an expenditure impact on the general fund, but an estimate could not be determined as the costs will depend upon the number of workers' compensation claims filed in a given year." This bill is not expected to impact federal funds or other funds." (Source:

<https://www.masc.sc/Pages/programs/solutions/insurance/RiskLetter/Fall%202021/First-Responder-PTSD-Assistance.aspx>)

Additionally, "this bill would have a local expenditure impact on municipal and county governments of \$1,950,000 to \$5,475,000 in FY 2015-16 based on estimates from the Municipal Association and counties on increased premium costs and incurred claims expenses." (Source: [https://www.scstatehouse.gov/sess121\\_2015-2016/prever/429\\_20150430.ht](https://www.scstatehouse.gov/sess121_2015-2016/prever/429_20150430.ht)).

**Oversight** notes that the South Carolina General Assembly appropriated \$500,000 annually to the Workers Compensation Fund, since the passage of similar PTSD legislation S326 in 2016, to pay for PTSD claims for first responders. (Source: [https://www.scstatehouse.gov/sess123\\_2019-2020/appropriations2019/tap1b.htm](https://www.scstatehouse.gov/sess123_2019-2020/appropriations2019/tap1b.htm))

**Oversight** notes that the Ohio General Assembly, while passing HB 308 concerning First Responder PTSD legislation, estimated that it is possible the bill might in future years affect the state and political subdivisions' costs and liabilities related to PTSD compensation and benefits. The General Assembly also noted that it will need to transfer \$500,000 into a special fund maintained by OMB Office to take care of such a claims.

(Source: <https://www.legislature.ohio.gov/download?key=15338&format=pdf>;

**Oversight** also notes that Florida Department on Financial Services stated, in regards to fiscal analysis of a similar proposal (2018 House Bill 227 First Responders PTSD), that the proposal would likely have a significant negative impact to the state and local political subdivisions. However, the amount is indeterminate depending on variation of number of claims meeting the requirements of the proposal.

(Source: [http://gencourt.state.nh.us/SofS\\_Archives/2018/house/SB553H.pdf](http://gencourt.state.nh.us/SofS_Archives/2018/house/SB553H.pdf)).

**Oversight** notes that the officials from OA stated there could be a potential direct impact on State agencies but the amount of cost increase, if any, cannot be estimated.

**Oversight** does not have any information to the contrary. Therefore, **Oversight** will range the impact from zero impact (no future claims of PTSD) to a negative Unknown (an unknown number of employees will be filing PTSD claims and meet the requirement of the proposal) in the fiscal note.

### **\$250,000 threshold of negative impact to the General Revenue**

**Oversight** notes the Budget Request 2023 shows there are 1,393 State Troopers in Missouri. If only 6.5% (please see the explanation for the percentage below) of those request PTSD treatment, and each deemed as a valid case, the State of Missouri would have minimal expense of \$105,560 ( $91 * \$1,160$  – lower estimate for treatment) to \$429,884 ( $91 * \$4,724$ ).

**Oversight** notes that the above estimates are based on lowest possible percentage of such cases filed within the first responders sub-group, therefore, the expense could reach greater amount of expense in the future years.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to the **Missouri Department of Transportation** for the potential fiscal impact of this proposal.

Officials from the **City of Kansas City** assume this legislation could have a negative fiscal impact on Kansas City of an indeterminate amount.

Officials from the **City of Springfield** assume the proposal would have a direct fiscal impact on their organization and the City of Springfield estimates a negative fiscal impact of \$500,000 per year from this bill based on estimated increased claims related to PTSD being defined as an occupational disease.

In response to similar legislation (SB 120), officials from the **St. Joseph Police Department** assumed the proposal will have a potential negative fiscal impact to the City due to work comp claims regarding occupational-related PTSD, as well as loss of staffing which may require overtime.

**Oversight** notes that for purpose of this note “first responders” is defined in RSMo 67.145.2 as “emergency first responders, police officers, sheriffs, deputy sheriffs, firefighters, ambulance

attendants and attendant drivers, emergency medical technicians, mobile emergency medical technicians, emergency medical technician-paramedics, registered nurses, or physicians.”

**Oversight** notes that according to the U.S National Library of Medicine – National Institute of Health, the rates of PTSD among firefighters appear elevated, with point prevalence estimates ranging from 6.5% to 30%. (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5825264/>)

**Oversight** estimates there to be around 25,000 fire fighters, police officers, EMTs and Paramedics in the State of Missouri according the Bureau of Labor Statistics 2020.

**Oversight** notes that if only 6.5 % of the above group are diagnosed with PTSD it would represent 1,625 first responders with PTSD.

A study by Rand Company found that the annual cost ranges from about \$1,160 to \$4,724 per person (though this data is from 2008, Tanielian says there is little reason to think that these numbers would have changed significantly). <https://www.marketwatch.com/story/what-ptsd-costs-families-2014-04-04>

Additionally, the total annual cost for health care for a veteran who had PTSD was estimated to be \$11,342, which was more than double the annual VA health care cost of a veteran without PTSD; 73.1% of health care costs for veterans who had PTSD was for non-mental health services ([Watkins et al., 2011](https://www.ncbi.nlm.nih.gov/books/NBK224872/)). <https://www.ncbi.nlm.nih.gov/books/NBK224872/>

**Oversight** notes that above estimated amount indicates the total price is a partially mental health and partially non-mental health services. The actual cost for only mental health service is as follows:

	Total PTSD expense per person	\$ 11,342
-	Non-mental health services (73.1%)	\$ 8,291
=	<b>Mental health services cost only</b>	<b>\$ 3,051</b>

**Oversight** notes, that for purpose of this fiscal note, the Oversight will estimate the cost using the RAND study.

**Oversight** notes that using the lower spectrum of those affected with PTSD (6.5%), within the first responder sub group (firefighters) could potentially require additional cost ranging from \$1,885,000 (1,625\*\$1,160) to \$7,676,500 (1,625\*\$4,724) to the local political subdivisions.

In response to similar legislation (HCS for SS for SCS for SBs 119 & 120), officials from the **St. Joseph Police Department** assumed the proposal would have a direct fiscal impact on their organization.

**Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a range the impact from \$0 (no cases of PTSD are diagnosed) to a potentially significant negative unknown (the employees are diagnosed with PTSD) to local governments in the fiscal note.

In response to similar legislation (HCS for SS for SCS for SBs 119 & 120), officials from the **Kansas City Police Department**, the **Fruitland Area Fire Protection District** and the **Cole Camp Ambulance District** each assumed 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 for this section.

§287.715 - Sunset extension of 1% Supplemental Surcharge through CY 2026

Officials from the **Department of Labor and Industrial Relations (DOLIR)** state the Division of Workers' Compensation (DWC) announced the supplemental surcharge rate for CY 2023 and set the rate at 0% surcharge. However, the maximum impact is up to a potential 1% collection amount of \$16,288,501 (as the maximum allowed collection amount per the proposal if 1% is announce by the DOLIR by October 31st of 2023) in the fiscal note. The \$16,288,501 is an average of 2018-2021 collections if they were at a rate of 1%.

**Oversight** notes the current law, as per SB 303 (TAFP) and signed by the Governor in 2021, requires that Missouri employers contribute a 2.5% supplemental surcharge into the Second Injury Fund (SIF) for calendar year 2023.

**Oversight** notes, on average, DOLIR collects \$16.28 million for each 1% of supplemental surcharge from Missouri employers each fiscal year. (Please see the breakdown of charges for last five years below).

**Oversight** extracted DOLIR's Second Injury Fund surcharge collections from 2017 to 2021 period shown below:

<b>CY</b>	<b>5% - 6 % Collections</b>	<b>1% collections</b>	<b>FY 1% Surcharge Collections</b>
<b>2017</b>	\$ 107,413,994	\$ 17,902,332	
<b>2018</b>	\$ 102,442,325	\$ 17,073,721	\$ 17,488,027
<b>2019</b>	\$ 86,683,062	\$ 17,336,612	\$ 17,205,167
<b>2020</b>	\$ 87,401,807	\$ 14,566,968	\$ 15,951,790
<b>2021</b>	\$ 84,308,838	\$ 14,451,073	\$ 14,509,021
			<b>\$ 16,288,501</b>

<https://labor.mo.gov/data>

**Oversight** calculated the potential impact to the SIF for FY 2024, and beyond, by dividing the total FY annual collections by 4 years totaling \$16,288,501 (\$65,154,004/4).

**Oversight** shows the potential maximum collection in FY 2024 to FY 2026 below:

Fiscal Year	FY 2024	FY 2025	FY 2026
Totals	\$8,144,251	\$16,288,501	\$ 16,288,501

Therefore, **Oversight** will note the continued positive fiscal impact to the Second Injury Fund in the fiscal note in FY 2024 (6 Mo.), FY 2025 and FY 2026.

**Oversight** notes, upon further conversation with the DOLIR, the Department annually reviews the Actuarial Report determining the solvency of the fund. The Director, as per RSMO 287.690 is also required to announce the relevant rate no later than October 31, each year, in order to adjust the rate accordingly.

**Oversight** notes, as per conversation with the DOLIR, the DWC announced the rate for CY 2023 and set the rate at 0% surcharge. Therefore, **Oversight** will note the maximum impact Up to potential 1% collection amount \$16,288,501 (as the maximum allowed collection amount per the proposal if 1% is announce by the DOLIR by October 31<sup>st</sup> of 2023) in the fiscal note.

In response to a similar proposal from 2021 (SB 303), officials from MoDOT noted:

Currently, MoDOT pays a 3% Second Injury Fund (SIF) surcharge and a supplemental rate of 0%. This amount will vary based on each year's premiums, but for 2020, they paid \$405,512 for the SIF surcharge and \$270,347 for the supplemental rate. They pay quarterly, but these are the annual figures.

2017-2019 had a 3% SIF surcharge and a 3% supplemental rate. They paid the following annually:

2019 - \$400,919 for each (surcharge and supplemental)

2018 - \$403,463 for each

2017 - \$413,749 for each

**Oversight** notes that MoDOT paid approximately \$270,000 annually for 3% supplemental surcharge in FY 2021; therefore, **Oversight** will show \$0 to \$90,000 in FY 2024 and beyond as a representation of the 1% supplemental surcharge.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to the **Missouri Department of Transportation** for the potential fiscal impact of this proposal.

In response to a similar proposal from 2021 (SB 303), officials from the **Office of Administration (OA)** assumed:

Section 287.715.6 – This legislation changes the maximum supplemental surcharge from 3% to 2.5% in CY 2023. If the division of workers’ compensation collects the maximum of 2.5%, this change could decrease the total supplemental surcharge the state would pay by a total of \$184,156.20 for GR and \$2,953.11 for Conservation.

However, the division of workers’ compensation currently collects 2%, which is less than their maximum allowed amount; therefore, the proposed legislation would result in an increase in costs to the state as compared to the actual amount collected by the division of workers’ compensation. This is based on expenditures shown below for 3% SIF and 2% surcharge:

FY21 expenditures for CY2020 taxes GR: \$1,841,562.00  
FY21 expenditures for CY2020 taxes Conservation: \$29,531.06

Increasing the surcharge to 2.5% could increase general revenue costs by \$184,156.20 and Conservation by \$2,953.11. Current figures based on 2020 payroll, 2020 insurance rates and 2020/21 experience modification. Other factors that could increase/decrease FY22/23 would be CY2021/22 payroll, insurance rates and experience modification changes.

**Summary of OA’s surcharge paid into SIF:**

FY	Summary of Total Tax Collected into Second Injury Fund by OA
2022	\$ 2,492,987
2021	\$ 2,539,533
2020	\$ 2,482,810
2019	\$ 2,539,133
2018	\$ 3,268,504
Average	\$ 2,664,593

Source: [https://oa.mo.gov/sites/default/files/FY\\_2020\\_Executive\\_Budget\\_Final.pdf](https://oa.mo.gov/sites/default/files/FY_2020_Executive_Budget_Final.pdf)

**Oversight** notes that the OA pays its Workers’ Compensation tax and Second Injury Fund assessments based on billings received from the Department of Revenue and the Division of Workers’ Compensation.

**Oversight** notes MoDOT and OA both will be required to continue to make up to 1 % surcharge supplemental payments into the Second Injury Fund because of the extension of the surcharge payment until 2027 under the proposal. Oversight will note “Up to an average 1 % surcharge tax expense of **\$532,919** ( $\$2,664,593 / 5 \times 1$ )) to the general revenue fund” in the fiscal note, until FY 2026.



Officials from the **City of Kansas City** assume the proposal will have negative fiscal impact of an indeterminate amount.

Officials from the **Metropolitan St. Louis Sewer District (MSD)** state the proposed legislation would impact MSD to the extent that the workers compensation surcharge continues to be assessed. MSD estimates it will pay approximately \$111,252 for the 3% workers compensation surcharge in 2023. If MSD must pay 1% through 2026, the annual payment would be approximately \$37,085 based on the 2023 assessment.

In response to a similar proposal from this year (SB 521), officials the **City of St. Louis – Budget Division** noted:

The proposal reduces the supplemental surcharge charged to employees who pay into the state's Second Injury Fund from 3% to 2.5% and extends the supplemental surcharge until 2028. The City of St. Louis pays \$859,714 annually into this fund. This fee is made up of the 3% surcharge plus a 1% supplemental surcharge. Reducing the supplemental surcharge from 3% to 2.5% will have no fiscal impact on the City because the City currently pays a 1% supplemental surcharge. However, extending the supplemental surcharge until 2028 will have a fiscal impact. Extending this supplemental surcharge will keep the City's payment at \$859,714 annually until 2028; if the supplemental surcharge were allowed to sunset, the City's payment would be \$644,785 a decrease of \$214,928. Extending the supplemental surcharge will cost the City a total of \$1M (\$214,928 x 5) over the next five years until 2028.

The above local political subdivisions noted the proposal would have a direct fiscal impact on their organizations due to the extension of the supplemental surcharge beyond CY 2023. Therefore, **Oversight** will reflect a zero to negative unknown cost to the local political subdivisions in the fiscal note until FY 2026.

In response to similar legislation (HCS for HB 1017), officials from the **University of Central Missouri** assumed the proposal will have an indeterminate fiscal impact on their organization.

**Oversight** notes colleges and universities will be responsible for a continuous payment, 1 % supplemental surcharge, to be submitted on behalf of its employees if DOLIR announce the 1% new rate for FY 2024. Therefore, **Oversight** will reflect a zero to negative unknown cost to the colleges and universities in the fiscal note.

#### §320.336 – Reemployment rights of members of Missouri Tax Force Once

In response to similar legislation (HB 392), officials the **University of Missouri Systems** 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 on the fiscal note for this section.

In response to similar legislation (HB 392), officials from the **University of Central Missouri** assumed the proposal will have an indeterminate impact on their organization.

**Oversight** assumes University of Central Missouri 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.

#### 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 (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.

#### Bill as a whole

Officials from the **Attorney General's Office**, the **Department of Economic Development**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Public Safety**, **Divisions of: Capitol Police, Director's Office, Fire Safety, Missouri Highway Patrol, State Emergency Management Agency**, the **Department of Social Services**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **City of Urich**, the **Phelps County Sheriff**, the **County Employees Retirement Fund**, the **Kansas City Public School Retirement System**, the **Sheriff's Retirement System**, the **South River Drainage District**, the **St. Charles County Public Water Supply District #2**, **Urich Water/Wastewater**, the **Wayne County Public Water Supply District #2**, **Missouri State University**, **St. Charles Community College**, and the **Office of the State Courts Administrator** 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
<b>GENERAL REVENUE FUND</b>			
<u>Revenue</u> –DOR (§190.327) - potential 1% collection fee due to local sales tax increase p. 8-9	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Revenue Reduction</u> – (§135.327) – increase in Adoption Tax Credit Participation p. 4-8	\$0	\$0 to (Unknown)	\$0 to (Unknown)
<u>Cost</u> –payments to treat PTSD cases (§287.067) p. 10-14	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs</u> – DESE (§161.244) – subject to appropriation, shall to provide grants directly to private entities for the provision of early childhood education services p.8	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> –OA – (§287.715.6) – supplemental surcharge extended beyond 12/31/23 p.16	Up to (\$266,460)	Up to (\$532,919)	Up to (\$532,919)
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(Could exceed \$266,460)</u></b>	<b><u>(Could exceed \$532,919)</u></b>	<b><u>(Could exceed \$532,919)</u></b>

<b>FISCAL IMPACT – State Government</b> (continued)	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>WORKERS’ COMPENSATION FUND (0653)</b>			
Cost – claims being expanded to include PTSD (§287.067) p. 10-11	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)
<b>ESTIMATED NET EFFECT ON THE WORKERS’ COMPENSATION FUND</b>	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)
<b>OTHER STATE FUNDS</b>			
Colleges & Universities – (§287.067) p. 9-14	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)
<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)
<b>STATE ROAD FUND (0320)</b>			
Cost –MoDOT – (§287.715.6) – supplemental surcharge extended beyond 12/31/23 p.14-15	<u>Up to</u> (\$45,000)	<u>Up to</u> (\$90,000)	<u>Up to</u> (\$90,000)
<b>NET EFFECT ON STATE ROAD FUND</b>	<u>Up to</u> (\$45,000)	<u>Up to</u> (\$90,000)	<u>Up to</u> (\$90,000)

<b>FISCAL IMPACT – State Government</b> (continued)	<b>FY 2024</b> (10 Mo.)	<b>FY 2025</b>	<b>FY 2026</b>
<b>SECOND INJURY FUND (0653)</b>			
<u>Revenue Gain</u> - Section 287.715.6 – supplemental surcharge extended beyond 12/31/23 p.14-15	Up to <u>\$8,144,251</u>	Up to <u>\$16,288,501</u>	Up to <u>\$16,288,501</u>
<b>NET EFFECT ON SECOND INJURY FUND</b>	<b><u>Up to</u></b> <b><u>\$8,144,251</u></b>	<b><u>Up to</u></b> <b><u>\$16,288,501</u></b>	<b><u>Up to</u></b> <b><u>\$16,288,501</u></b>
<b>COLLEGES AND UNIVERSITIES</b>			
<u>Cost</u> – (§287.715.6) – supplemental surcharge extended beyond 12/31/23 p.15-16	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
Revenue –Jefferson County (§190.327) Potential sales tax increase p.8-9	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost –payments to treat PTSD cases</u> (§287.067) p. 10-14	\$0 to (Unknown - potentially significant amount)	\$0 to (Unknown - potentially significant amount)	\$0 to (Unknown - potentially significant amount)
<u>Cost – (§287.715) - continuance of supplemental surcharge past beyond 12/31/2023 p.15-16</u>	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>(Unknown – potentially significant)</u></b>	<b><u>(Unknown – potentially significant)</u></b>	<b><u>(Unknown – potentially significant)</u></b>

#### FISCAL IMPACT – Small Business

A direct fiscal impact to small businesses would be expected as a result of this proposal due to the continuance of a 1 % supplemental surcharge beyond CY 2023. (§287.715)

#### FISCAL DESCRIPTION

##### Adoption Tax Credit (§135.327)

This legislation modifies various benevolent tax credits.

##### Grants for early childhood education (§161.244)

Subject to appropriation, the department of elementary and secondary education shall provide grants to private entities for the provision of early childhood education services.

##### Sales Tax for Emergency Services (§190.327)

Currently, an emergency services board operating in Jefferson County shall not have a sales tax for emergency services or for providing central dispatching for emergency services greater than one-quarter of one percent. This act repeals this provision.

Workers Compensation for First Responders (§287.067)

This act establishes post-traumatic stress disorder (PTSD), as described in the Diagnostic and Statistical Manual of Mental Health Disorders, Fifth Edition, (DSM-5) as a compensable occupational disease under workers' compensation when diagnosed in first responders. A first responder shall not require a physical injury in order to be eligible for benefits, but preexisting PTSD is not compensable. The time for notice of injury or death in cases of compensable PTSD is measured from exposure to one of the qualifying stressors listed in the DSM-5 criteria, or the diagnosis of the disorder, whichever is later. Any claim for compensation for an injury shall be properly noticed to the Division of Workers' Compensation within 52 weeks after the qualifying exposure, or the diagnosis of the disorder, whichever is later.

Extends the sunset of second injury fund supplemental surcharge (§287.715)

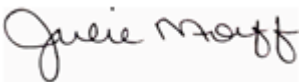
Under current law, for calendar year 2023, the Director of the Division of Workers' Compensation is required to collect a supplemental surcharge not to exceed 2.5% of the policyholder's or self-insured's workers' compensation net deposits, net premiums, or net assessments for the previous policy year, rounded up to the nearest one-half of a percentage point. This provision expires December 31, 2023. This act extends that expiration date to December 31, 2026 and makes the 1% surcharge permanent for that duration, rather than revert to 3%.

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

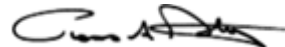
SOURCES OF INFORMATION

Attorney General's Office  
Office of Administration - Budget and Planning  
Department of Commerce and Insurance  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Mental Health  
Department of Natural Resources  
Department of Corrections  
Department of Labor and Industrial Relations  
Department of Revenue  
Department of Public  
Department of Social Services  
Missouri Department of Conservation

Missouri Department of Transportation  
Office of Administration  
Office of the Secretary of State  
University of Missouri Systems  
City of Kansas City  
City of Springfield  
City of St. Louis – Budget Division  
City of Ulrich  
Phelps County Sheriff  
Branson Police Department  
Kansas City Police Department  
St. Joseph Police Department  
St. Louis County Police Department  
Webster Groves Fire Department  
Fruitland Area Fire Protection District  
Cole Camp Ambulance District  
Local Government Employees Retirement System  
County Employees Retirement Fund  
Kansas City Public School Retirement System  
Public Education Employees' Retirement System  
Rock Community Fire Protection District Retirement Fund  
Sheriff's Retirement System  
Metropolitan St. Louis Sewer District  
Morgan County Public Water Supply District #2  
South River Drainage District  
St. Charles County Public Water Supply District #2  
Ulrich Water/Wastewater  
Wayne County Public Water Supply District #2  
Missouri State University  
University of Central Missouri  
St. Charles Community College  
Joint Committee on Administrative Rules  
Office of the State Courts Administrator



Julie Morff  
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June 12, 2023



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June 12, 2023