

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3834S.05C
 Bill No.: SCS for SB 916
 Subject: Contracts and Contractors; Insurance - General; Liability; Political Subdivisions;
 Sovereign or Official Immunity; State Departments; Transportation; Department of
 Transportation
 Type: Original
 Date: March 4, 2026

Bill Summary: This proposal modifies provisions relating to sovereign immunity.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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

*Unknown savings resulting from limiting the liability award could exceed \$250,000 annually.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Other State**	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Legal Expense*	\$0	\$0	\$0
Colleges and Universities**	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on Other State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

*Unknown savings and losses net to \$0.

** Unknown savings resulting from limiting the liability award could exceed \$250,000 annually.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Federal*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

*Unknown savings resulting from limiting the liability award could exceed \$250,000 annually.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

*Savings from limiting liability award.

FISCAL ANALYSIS

ASSUMPTION

§§537.600 – Immunity for Private Contractors Acting within the Scope of a Government Contract Awarded by MoDOT

Officials from the **Office of Administration (OA)** state the proposed legislation will require OA Purchasing to revise the contractual language regarding contractor liability including rewriting other general contractual language and provide such language to the state agencies for use as well as update its internal procurement documents.

OA-Purchasing believes that the impact of this bill is less than \$10,000. However, until the FY26 budget is finalized, specific funding sources cannot be identified.

At this time, it is believed the additional staff time and resources can be absorbed by OA-Purchasing. However, if there are multiple pieces of legislation passed where OA-Purchasing has responded that the costs can be absorbed, OA-Purchasing would need to reevaluate to see if additional staff and associated expenses would then be required.

Oversight does not have any information to the contrary. Oversight assumes OA-Purchasing receives core funding to cover minimal expenditures. Oversight further assumes OA-Purchasing can absorb the minimal fiscal impact of this proposal within current appropriations and will present no fiscal impact for this agency for these provisions.

In response to a previous version, SB 916 (2026), officials from the **Office of Attorney General (AGO)** assumed any potential litigation costs arising from this proposal could be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

§537.610 - Limitations on Awards for Certain Liability Claims

Officials from the **OA-General Services Division (GS)** state §537.610.5 of this proposal could have a potential cost saving to the State Legal Expense Fund by limiting the award to the liability of the year when the accident or occurrence happened.

Oversight notes because this bill could result in a potential savings to the State, Oversight will show a net \$0 direct fiscal impact for the LEF and a possible \$0 or Unknown fiscal impact to General Revenue and other state funds. Oversight notes the potential savings described by OA could also apply to colleges and universities, federal funds, as well as local political subdivisions

as the LEF does not cover costs for local political subdivisions or colleges and universities in most cases. For fiscal note purposes only, Oversight will range savings from \$0 or Unknown for all funds.

Oversight does not have any information to suggest the potential cost saving resulting from this proposal. Therefore, for fiscal note purposes, Oversight assumes the unknown impact could reach the \$250,000 threshold.

Officials from the **Office of the Secretary of State (SOS)** noted 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 received additional information from the SOS. Officials state that although this proposal does not contain rulemaking provisions, language in the proposal provides that the SOS shall publish the information as soon after January first as practicable.

Bill as a Whole

Officials from the **Department of Commerce and Insurance, Department of Labor and Industrial Relations, Department of Social Services, Office of the State Courts Administrator**, and **Missouri Department of Transportation** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Savings</u> – Various State Agencies (§537.610) Reduction in contributions to the Legal Expense Fund to pay liability awards p.4	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
OTHER STATE FUNDS			
<u>Savings</u> – Various State Agencies (§537.610) Reduction in transfers to the Legal Expense Fund to pay liability awards p.4	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
LEGAL EXPENSE FUND			
<u>Savings</u> – All State Agencies (§537.610) Potential reduction in payouts in liability awards p.4	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
<u>Loss</u> –(§537.610) Potential reduction in transfers-in from other funds to cover payouts of liability awards p.4	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON THE LEGAL EXPENSE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
COLLEGES AND UNIVERSITIES			
<u>Savings</u> - (\$537.610) Potential reduction in liability awards p.4	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
FEDERAL FUNDS			
<u>Savings</u> - (\$537.610) Potential reduction in transfers to the Legal Expense Fund to cover costs of payouts in liability awards p.4	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> – (\$537.610) Potential reduction in payouts in liability awards p.3	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

FISCAL IMPACT – Small Business

There could be a direct fiscal impact to small businesses who operate under a governmental contract as a result of this proposal.

FISCAL DESCRIPTION

This bill modifies §537.610, RSMo, by specifying that the applicable liability limit for a claim against the State or political subdivision is the limit in effect on the date of the accident or occurrence giving rise to the claim.

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

Office of Administration - Budget and Planning
Attorney General's Office
Department of Commerce and Insurance
Department of Labor and Industrial Relations
Department of Social Services
Missouri Department of Transportation
Office of Administration
Office of the State Courts Administrator
Office of the Secretary of State



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March 4, 2026



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