

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3988-01
Bill No.: HB 1576
Subject: Insurance Dept.; State Departments
Type: Original
Date: January 30, 2008

Bill Summary: Modifies various statutes to implement Executive Order 06-04 that created the Department of Insurance, Financial Institutions and Professional Registration.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(Unknown less than \$100,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown less than \$100,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
State Legal Expense	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Attorney General, Office of Administration (COA) - Division of Accounting, COA - Administrative Hearing Commission, Department of Economic Development, Office of State Auditor, Office of State Treasurer, Department of Insurance, Financial Institutions and Professional Registration, Legislative Research - Revisor of Statutes, Office of the Governor, and Missouri Senate** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal for Administrative Rules is less than \$2,500. The SOS 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 SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **COA - Division of Risk Management/General Services (RM/GS)** state only changes to Section 105.711 would affect the COA wherein coverage of the State Legal Expense Fund would be extended to cover licensed healthcare providers in Chapter 324 (healthcare professionals in the areas of occupational therapy, clinical perfusionists, dietitians, massage therapy and acupuncture) who are employed or under contract to conduct disability reviews for the Department of Elementary and Secondary Education or provide part-time services to state correctional facilities or county jails. The proposed changes have potential costs that cannot be determined at this time.

The state self-assumes its own liability protection under the state legal expense fund, Section 105.711, RSMo. It is a self-funding mechanism whereby funds are made available for the payment of any claim or judgment rendered against the state in regard to the waivers of sovereign immunity or against employees and specified individuals. Investigation, defense, negotiation or settlement of such claims is provided by the Office of Attorney General. Payment is made by the Commissioner of Administration with the approval of the Attorney General.

The COA-RM/GS officials don't anticipate costs will exceed \$100,000 annually. The COA-RM/GS has reflected the costs affecting the general revenue fund, as general revenue funds the state legal expense fund.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE FUND			
<u>Transfers-out to State Legal Expense Fund</u>			
Extended liability coverage for certain professionals	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
STATE LEGAL EXPENSE FUND			
<u>Transfers-in - Office of Administration</u>			
Increased liability	Unknown less than \$100,000	Unknown less than \$100,000	Unknown less than \$100,000
<u>Costs - Office of Administration</u>			
Increased liability	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
ESTIMATED NET EFFECT ON STATE LEGAL EXPENSE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Small Business</u>			

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

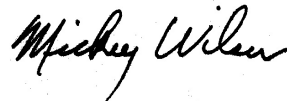
FISCAL DESCRIPTION

The legislation adds specialists to the list of health care providers for whom the State Legal Expense Fund is available for payment of certain claims filed against a provider.

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 Attorney General
Office of Administration -
 Division of Accounting
 Administrative Hearing Commission
 Division of Risk Management/General Services
Department of Economic Development
Department of Insurance, Financial Institutions and Professional Registration
Legislative Research -
 Revisor of Statutes
Office of the Governor
Office of State Auditor
Missouri Senate
Office of Secretary of State
Office of State Treasurer



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Director
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