

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1750H.01I
Bill No.: HB 760
Subject: Employees - Employers; Fire Protection; Health Care; Labor and Management;
Estates, Wills and Trusts
Type: Original
Date: February 1, 2021

Bill Summary: This proposal creates new provisions relating to certain firefighters who have contracted certain types of cancer as a result of employment.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **City of Kansas City** assume this proposal could have a negative fiscal impact on the city if it leads to an increase of workers comp claims. §320.400.02(12) states that the employer's policies and benefits will treat a cancer diagnosis as on-the-job but that it will not affect a workers' compensation determination. The city notes this section of the proposal to be contradictory.

In response to similar legislation from this year, SB 45, officials from the **City of Springfield** estimate the bill will impose additional costs of at least \$1,000,000 per year, although based on the language of the bill, the City cannot make a firm determination. Further, it is not clear how the proposed fund will interact with a political subdivision's insurers.

Oversight contacted the City of Springfield regarding the additional costs in their response. These costs do not relate to workers' compensation claims and the city has also revised their response from \$1,000,000 to \$500,000 in costs per year. This cost would occur should the city participate in a trust.

Oversight assumes this proposal creates new provisions relating to certain firefighters who have contracted certain types of cancer as a result of employment as a firefighter and allows local political subdivisions to set up a voluntary firefighter cancer benefits trust to make contributions into. A board of trustees (board) will oversee the administration of the trust. Oversight assumes actions by the board could result in unknown costs to local political subdivisions. Oversight assumes the local political subdivision would only establish a trust to benefit certain firefighters and the proposal could be absorbed within their current appropriations. Therefore, Oversight will assume a negative fiscal impact to local political subdivisions and will range the fiscal impact from \$0 (no trust established – bill is permissive) to an unknown cost (contributions into and administration of trust).

Officials from the **Department of Public Safety's Fire Safety**, the **Department of Labor and Industrial Relations**, the **Attorney General's Office**, the **Department of Health and Senior Services**, the **Joint Committee on Administrative Rules** and the **Office of the Secretary of State** 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.

Oversight notes that according to subsection 6 of §320.400, the State Fire Marshall may set up a grant for the purpose of establishing a voluntary firefighter cancer benefits trust. This would be subject to appropriations by the General Assembly and the State Fire Marshall would disburse grants to the trust upon receipts of applications. This subsection will expire on June 30, 2022.

Officials from the **City of O’Fallon** 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 that City.

In response to similar legislation from this year, SB 45, officials from the **City of Ballwin** and the **City of Corder** each assume the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for those agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties and fire protection districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL FIRE DEPARTMENTS FUNDS			
<u>Cost</u> – may establish a trust to benefit certain firefighters who have certain types of cancer	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL FIRE DEPARTMENT FUNDS	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

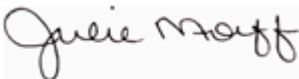
This bill allows for the creation of a "Voluntary Firefighter Cancer Benefits Trust". Under the bill, any municipality or special district that employs firefighters who meet certain qualifications may make contributions to a Voluntary Firefighter Cancer Benefits Trust. The Board of Trustees of any trust created for the purposes of this bill is subject to the Sunshine Law. The Trust is then required to make payments to covered individuals based upon the type of cancer with which the covered individual was diagnosed. The maximum amount that may be paid out from the Trust for a particular cancer diagnosis in a covered individual is \$249,000. Benefits may be reduced by 25% if the covered individual used a tobacco product within the 5 years immediately preceding the cancer diagnosis.

Any Trust created for the purposes of this bill may accept or apply for grants or donations from any private or public source. Furthermore, any such trust may apply for grants from the State Fire Marshal. This provision expires June 30, 2022.

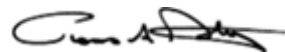
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

City of Kansas City
City of Springfield
Department of Public Safety
Department of Labor and Industrial Relations
Attorney General's Office
Department of Health and Senior Services
Joint Committee on Administrative Rules
Office of the Secretary of State
City of O'Fallon
City of Ballwin
City of Corder



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February 1, 2021



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February 1, 2021