

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2729S.03C
Bill No.: SCS for HCS for HB 1358
Subject: Business and Commerce; Cities, Towns and Villages; Civil Penalties; Counties;
County Government; Crimes and Punishment; Health, Public; Liability; Licenses -
Miscellaneous; Political Subdivisions; Prisons and Jails; Property, Real and
Personal
Type: Original
Date: May 10, 2021

Bill Summary: This proposal establishes the True COVID Liability Act.

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
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)

*Officials from Department of Public Safety – Missouri Veterans’ Commission (MVC) state implementation of this proposal would put them in violation of VA regulations regarding infection control and, therefore, could jeopardize MVC’s federal funding. MVC has used the estimate of up to \$70 million in federal funding. Oversight has ranged the fiscal impact from \$0 (no federal funding is withheld) to an unknown amount.

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 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 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§192.027 – Relating to infection diseases

Officials from **Department of Public Safety - Missouri Veterans Commission (MVC)** state compliance with the proposed section 192.027 RSMo of this bill would put MVC in violation of VA regulations regarding infection control and, therefore, could jeopardize MVC's federal funding. Additionally, compliance with this provision would jeopardize the licenses of MVC's medical staff (CNAs, nurses, physicians, etc.) if they were not allowed to quarantine a resident of MVC's veterans homes who was demonstrating signs and symptoms of a contagious disease, but yet had not tested positive for it. Finally, although the proposed section contains a liability protection clause, this restraint on the use of quarantining residents suspected of having a contagious disease would put MVC in violation of the collective bargaining agreement that it has in place with MVC direct care staff which requires MVC to adhere to all CDC published guidance and thus, the MVC would anticipate litigation on that issue. Therefore, compliance with the proposed section 192.027 RSMo in this bill can reasonably be expected to lead to litigation despite its liability protections and MVC defers to the AGO as to any costs to the state in litigation expenses. MVC anticipates a possible fiscal impact of more than \$70 million annually if VA funding for its home is revoked due to failure to comply with infection control protocols.

For fiscal note purposes, **Oversight** will present the potential loss of federal funding to the DPS-MVC as \$0 to an Unknown amount.

Officials from the **City of Springfield (Springfield)** anticipate a negative fiscal impact of an unknown amount from this bill due to the inability to use effective mitigation strategies to stop the spread of communicable diseases which may increase the cost of contact tracing and fighting diseases. It is impossible to estimate the amount of negative fiscal impact because it is unknown how many additional cases of communicable disease might result from this bill.

Officials from the **Columbia/Boone County Department of Public Health and Human Services (PHHS)** state there will be an unknown cost due to an increase in COVID-19 cases and other communicable diseases requiring disease investigation and contact tracing. It is impossible to estimate how many additional COVID-19 cases and other communicable disease cases there will be as a result of not quarantining close contacts or taking appropriate actions to prevent the spread of illness in various properties.

In response to the previous version of this proposal, officials from the **St. Louis County Health Department** anticipated this proposal would result in an unknown increase in costs if the

department's ability to implement effective mitigation strategies to stop the spread of communicable diseases is restricted. It is anticipated there would be an increase in costs for contact tracers and case investigators. It is impossible to estimate what the negative fiscal impact would be as a result of this bill.

Oversight notes it is currently the responsibility of local public health agencies (LPHAs) to conduct disease investigation and contact tracing regardless of whether a statewide emergency has been proclaimed by the governor. It is assumed any potential costs that may be incurred as a result of this proposal are indirect costs. Therefore, Oversight will present no fiscal impact for provisions of this proposal that relate to communicable diseases and potential impacts incurred by local governments and public health departments.

Officials from the **Department of Health and Senior Services**, the **Department of Corrections**, the **City of Claycomo**, the **City of Kansas City**, the **City of O'Fallon**, the **City of St. Louis Budget Division**, the **Kansas City Health Department**, the **Kansas City Police Department** and the **St. Joseph Police Department** 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.

In response to the previous version of this proposal, officials from the **Department of Social Services**, the **City of Corder** and the **Newton County Health 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.

In response to a previous version of this proposal, officials from the **Attorney General's Office**, the **Missouri Office of Prosecution Services** and the **Office of the State Courts Administrator** 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 agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local public health agencies, cities and various county officials, police and sheriffs' departments 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	FY 2023	FY 2024
FEDERAL FUNDS			
<u>Loss – MVC (\$192.027)</u> – Potential loss of federal funds due to compliance issues - p.3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
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 2022	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Oversight assumes there could be a fiscal impact to small businesses as a result of this proposal.

FISCAL DESCRIPTION

The bill creates the "True COVID Liability Act" and contains declarative statements regarding epidemiology, public policy relating to contagious diseases including COVID-19, susceptibility to contagious diseases, personal accountability, legal liability and government-mandated responses as outlined.

The bill prohibits the state or any political subdivision thereof from, as a response to a contagious disease, quarantining an individual in any way; limiting the use of otherwise lawful activities in any private property or premises in which extraordinary prevalence of a contagious disease has not been proven; revoking any business license based on an individual's or entity's decision regarding recommendations from a government or scientific entity.

The provisions shall not apply to individuals incarcerated by the state or any political subdivisions. No individual, owner, or entity shall be subject to criminal or civil liability in any action alleging exposure to a contagious disease on premises controlled by such person unless they knowingly and purposely, exposed an individual to a contagious disease where such

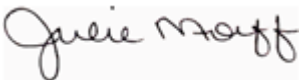
exposure caused the exposed individual to suffer from a clinical disease and the exposed individual did not voluntarily assume the risk of exposure.

The provision contains an emergency clause.

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
Department of Health and Senior Services
Department of Corrections
Department of Public Safety - Missouri Veterans Commission
Department of Social Services
Missouri Office of Prosecution Services
Office of the State Courts Administrator
City of Claycomo
City of Corder
City of Springfield
City of Kansas City
City of O'Fallon
City of St. Louis Budget Division
Columbia/Boone County Department of Public Health and Human Services
Kansas City Department of Health
Newton County Department of Health
St. Louis County Department of Health
Kansas City Police Department
St. Joseph Police Department



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