

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0282H.01I
Bill No.: HB 365
Subject: Workers Compensation; Emergencies; Law Enforcement Officers and Agencies;
Department of Labor and Industrial Relations; Employees - Employers;
Accountants
Type: Original
Date: January 6, 2025

Bill Summary: This proposal modifies provisions relating to line of duty compensation awards.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue Fund*	(\$600,000)	(\$612,000)	(\$624,240)
Total Estimated Net Effect on General Revenue	(\$600,000)	(\$612,000)	(\$624,240)

*Oversight notes it is unknown how many individuals may be killed in the line of duty in any particular year; however, the annual average has been 8 payouts \$200,000 per year for FY 2019 thru 2024 (excluding FY 2022). Oversight will note the difference in the payout of \$600,000 (\$800,000 – \$200,000) per year adjusted for inflation.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§287.243 – Line of duty compensation awards

Officials from the **Office of Administration (OA)** state section 287.243.3 increases the workers' compensation benefit for the death of a public safety officer killed in the line of duty from \$25,000 to \$100,000 beginning August 28, 2025, and increasing with the consumer price index beginning calendar year 2025. This would increase expenses to the state in workers' compensation cases where such benefits are due. Potential costs to the state are unknown as it would depend on the facts and circumstances of each case.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** state the Division of Worker's Compensation expects an increased requirement to General Revenue due to the increased claims amount. The expected increase is between \$200,000 and \$400,000 including the cost of living increase based on the consumer price index.

Oversight notes the DOLIR, upon request for purpose of the Sunset Review of this statute (2024), provided information related to line of duty compensation claims paid for fiscal years FY 2019 through FY 2024, as shown in the table below:

Fiscal Year	Total Claims	Total Paid
2019	8	\$200,000
2020	6	\$150,000
2021	10	\$250,000
2022*	24	\$600,000
2023	8	\$200,000
2024	6	\$150,000
Total	62	\$1,550,000

*Seventeen of the 24 payments were due to COVID-19.

DOLIR further stated that while there are no outstanding claims at this time, there are currently five cases on appeal. Additionally, four (4) pending cases for FY 2025 have been received to date.

Oversight notes it is unknown how many individuals may be killed in the line of duty in any particular year; however, the annual average has been 8 $[(8+6+10+6+8) / 5]$ excluding FY 2022, due to the increase in COVID related deaths. Currently, the amount of compensation per claimant is \$25,000. This proposal increases the payout to \$100,000. Oversight estimates the increased cost at \$600,000 (8 claimants times \$75,000) per year beginning in FY 2026.

Oversight notes the compensation shall be adjusted annually by the percent increase in the Consumer Price Index. Assuming 2% inflation per year, Oversight estimates the following impact for FY 2027 and FY 2028 respectively \$612,000 and \$624,240.

Officials from the **Department of Corrections**, the **Department of Public Safety (Office of the Director, Capitol Police, Alcohol & Tobacco Control, Fire Safety, Gaming Commission, State Emergency Management Agency and Veterans Commission)** and the **Missouri Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations for this proposal.

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

Officials from the **University of Central Missouri** and the **Missouri University System** both 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 colleges and universities.

Officials from the **City of Kansas City**, the **Phelps County Sheriff Department**, the **Kansas City Police Department**, and the **St. Louis County Police Department** each assume the proposal will have no fiscal impact on their respective organizations.

In response to similar legislation from 2024 (HB 1732), officials from the **Eureka Fire Protection District – St. Louis** assumed the proposal will have no fiscal impact on their organization.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Costs</u> - DOLIR p. 3 (§287.243) Increase claims amount for Line of Duty Comp	(\$600,000)	(\$612,000)	(\$624,240)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$600,000)</u>	<u>(\$612,000)</u>	<u>(\$624,240)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

LINE OF DUTY COMPENSATION AWARDS (Section 287.243)

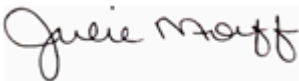
This bill increases the line of duty compensation benefit paid to a claimant from the current amount of \$25,000 to \$100,000, subject to appropriation, for deaths occurring on or after August 28, 2025. Beginning in 2026, the amount of compensation benefits are adjusted annually by the percent increase in the Consumer Price Index for All Urban Consumers, as reported by the United States Department of Labor. The annual adjustment would not decrease the compensation benefit paid to a claimant to less than \$100,000.

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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

Department of Corrections
Department of Public Safety -
Office of the Director
Capitol Police
Alcohol & Tobacco Control
Fire Safet
Gaming Commission
State Emergency Management Agency
Veterans Commission
Highway Patrol
Missouri Department of Transportation
Office of Administration
City of Kansas City
Phelps County Sheriff Department
Kansas City Police Department
St. Louis County Police Department
University of Central Missouri
Missouri University System



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January 6, 2025



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