

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6566H.02C  
 Bill No.: HCS for HB 2926  
 Subject: Contracts and Contractors; Liability; Political Subdivisions; Sovereign Or Official Immunity; State Departments  
 Type: Original  
 Date: March 17, 2026

Bill Summary: This proposal provides certain immunity for private contractors, subcontractors, and employees of such contractors and subcontractors acting within the scope of a government contract awarded by the Missouri Department of Transportation.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
State Road Fund (1320)*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

\*Oversight assumes the unknown cost for litigation could exceed \$250,000.

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

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

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §537.600 – Liability of Private Contractors

Officials from the **Missouri Department of Transportation (MoDOT)** assume the provisions in this bill could waive sovereign immunity in certain circumstances and significantly increase litigation costs for the Missouri Highways and Transportation Commission (MHTC).

The language in this section makes it so that if there is ever an accident that occurs during construction, it could be difficult for MHTC to tender the claim to the contractor as they would be subject sovereign immunity. This also could shift the burden for indemnification for claims arising during construction and shortly after so that the MHTC would have to indemnify the contractor.

This would result in a significant unknown negative fiscal impact to the State Road Fund.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect a \$0 (no litigation costs) to an “Unknown” cost to the State Road Fund as provided by MoDOT. Oversight assumes the cost could exceed \$250,000.

In response to a previous version, officials from the **Office of Attorney General (AGO)** assumed any potential litigation costs arising from this proposal can 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.

Officials from the **Office of Administration** and **Office of the State Courts Administrator** 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 these agencies.

In response to similar legislation, SB 916 (2026), officials from the **Department of Commerce and Insurance** and **Department of Social Services** 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.

In response to similar legislation, HCS for HB 1067 (2025), officials from the **Office of Administration (OA) - Purchasing** stated proposed legislation will require OA Purchasing to revise the contractual language regarding contractor liability including rewriting other general contractual language, provide such language to the state agencies for use, and update OA’s internal procurement documents.

OA-Purchasing believes that the impact of this bill is less than \$10,000. However, until the FY 2026 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 re-evaluate to see if additional staff and associated expenses would then be required.

**Oversight** has no information to the contrary. Oversight assumes OA-Purchasing will be able to absorb the minimal impact of this proposal and will present no fiscal impact for OA.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>STATE ROAD FUND (1320)</b>			
<u>Cost – MoDOT (\$537.600) Potential increase in litigation costs p.3</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON THE STATE ROAD FUND</b>	<b>\$0 to <u>(Unknown)</u></b>	<b>\$0 to <u>(Unknown)</u></b>	<b>\$0 to <u>(Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

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 proposal provides certain immunity for private contractors, subcontractors, and employees of such contractors and subcontractors acting within the scope of a government contract awarded by the Missouri Department of Transportation.

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  
Missouri Department of Transportation  
Department of Commerce and Insurance  
Department of Social Services  
Office of the State Courts Administrator  
Office of Administration



Julie Morff  
Director  
March 17, 2026



Jessica Harris  
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March 17, 2026