

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 0991-02
Bill No.: HB 369
Subject: Political Subdivisions: Medical Care, Contracts
Type: Original
Date: February 18, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government *	(Unknown)	(Unknown)	(Unknown)

* Oversight assumes fiscal impact to be minimal.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Social Services** assume no fiscal impact to their department.

Officials of the **Office of Administration- Budget and Planning** assume no fiscal impact.

Officials of the **Department of Insurance** assume no fiscal impact.

Officials of the **Missouri Consolidated Health Care Plan** assume no fiscal impact to their agency.

Officials of the **City of Columbia** stated that this proposal would have fiscal impact on the city. Officials stated the legislation requires the city to bid more often. Officials estimate cost at approximately \$15,000 per 4 year bid cycle. This does not include staff time required, or cost of consultants which are employed.

Officials of the **Kansas City Manager's Office** stated that insurance services would have no fiscal impact, however, the requirement os Section 67.253 would have negative fiscal impact.

Officials assume this proposal would extend applicability of the Missouri Open

ASSUMPTION (continued)

Records/Meetings Law, (Sunshine Law), to any contractor doing business with the city. Officials assume that anytime a contractor decided to hold a meeting with city officials, concerning any contract, they would be required to give public notice and provide access to the public which would be costly. Officials stated that they are currently subject to public scrutiny under the Sunshine Law. Officials assume that to apply this law to thousands of contractors would have fiscal impact. Officials did not estimate the amount of fiscal impact.

Officials of the **City of Fulton** assume there could be fiscal impact from this proposal. Officials stated that some of the items listed are more of a professional service, and in working with those you often get what you pay for.

Entities not responding are as follows: The Counties of St. Louis , St. Charles , Greene, Clay, Boone, Platte, and Johnson. The Cities of : St. Charles, St. Louis, and St. Joseph.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006

POLITICAL SUBDIVISIONS

<u>Cost</u> to Political Subdivisions additional publication of notices, holding hearings, bids	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT TO LOCAL GOVERNMENT *	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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*** Oversight assumes fiscal impact would be minimal.**

FISCAL IMPACT - Small Business

Small businesses doing business with political subdivisions could have additional costs from meeting the provisions associated with this proposal.

DESCRIPTION

Current law allows political subdivisions to join an association which will purchase insurance products for the members of the association. This bill requires these associations to purchase insurance only through a competitive bidding process.

The bill also makes any non-governmental entity that contracts with a political subdivision subject to conflict of interest and open records-open meetings laws for those subjects and activities specifically related to the contract with the political subdivision.

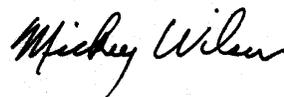
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Office of Administration- Budget and Planning
Department of Insurance
Missouri Consolidated Health Care Plan
Kansas City Manager's Office
City of Columbia
City of Fulton

NOT RESPONDING

The Counties of : St. Louis, St. Charles, Greene, Clay, Boone, Platte, and Johnson, and the Cities of: St. Charles, St. Louis, and St. Joseph



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