

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4124-10  
Bill No.: Perfected SS for SCS for SB 572  
Subject: Employees-Employers; Labor and Industrial Relations Dept.; Workers'  
Compensation  
Type: Original  
Date: February 15, 2012

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Bill Summary: This proposal would make changes to the Workers' Compensation program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
General Revenue *	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on General Revenue Fund *</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

\* expected to be less than \$100,000.

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
Conservation Commission *	Unknown	Unknown	Unknown
State Road *	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds *</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

\* expected to be less than \$100,000.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Local Government *</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

\* expected to be less than \$100,000.

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Office of the Governor** assumed there would be no added cost to their organization as a result of this proposal.

Officials from the **Office of the Secretary of State (SOS)** stated in response to a previous version of this proposal that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Missouri House of Representatives**, the **Office of the State Treasurer**, the **Department of Insurance, Financial Institutions, and Professional Registration**, and the **Department of Revenue** assumed a previous version of this proposal would have no fiscal impact to their organizations.

ASSUMPTION (continued)

Officials from the **Missouri Senate** assumed a previous version of this proposal would have no cost to their organization or minimal costs which could be absorbed with existing resources.

Officials from the **Joint Committee on Administrative Rules** assume this proposal would not have a fiscal impact to their organization in excess of existing resources.

Officials from the **Office of the Attorney General** assumed that any potential costs arising from a previous version of this proposal could be absorbed with existing resources.

Officials from the **Office of Administration, Division of Budget and Planning** (BAP) assumed a previous version of this proposal would not result in any additional costs or savings to their organization.

Officials from the **Office of Administration, Division of General Services** (OAGS) assume there would be some savings for the Legal expense Fund but could not provide an estimate of those savings.

Officials from the **Department of Labor and Industrial Relations** assume this proposal would have no fiscal impact to their organization.

Although they did not respond to our request for information officials from the **Department of Transportation** (MODOT) assumed that a similar proposal in the previous session (SB 430, LR 1897-01, 2011) would amend the workers' compensation (WC) statutes in several ways. These changes could result in an unknown savings to the State Road Fund.

For fiscal note purposes, **Oversight** will assume the proposal would result in annual savings less than \$100,000 to the General Revenue Fund, Conservation Fund and State Road Fund, and to local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE FUND</b>			
<u>Savings</u> - Workers' Compensation program *	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND *</b> * expected to be less than \$100,000.	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
<b>CONSERVATION COMMISSION FUND</b>			
<u>Savings</u> - Workers' Compensation program *	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND *</b> * expected to be less than \$100,000.	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
<b>STATE ROAD FUND</b>			
<u>Savings</u> - Workers' Compensation program *	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON STATE ROAD FUND *</b> * expected to be less than \$100,000.	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>LOCAL GOVERNMENTS</b>			
Savings - Workers Compensation program *	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS *</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
* expected to be less than \$100,000.			

FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses which are subject to the Workers' Compensation program.

FISCAL DESCRIPTION

This proposal would make changes to the Workers' Compensation Program.

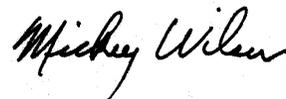
- \* The proposal would state that occupational diseases are exclusively covered under workers' compensation laws.
- \* Co-employees would be released from all liability for workplace injuries or death for which compensation is recoverable under the workers' compensation statutes. However, the employee could not escape liability when the employee engages in an affirmative act with the purpose of causing or increasing the risk of injury.
- \* Civil actions involving injury or death filed by the employee could not proceed until all administrative remedies are exhausted. Administrative actions brought under the workers' compensation statutes would toll civil action statutes of limitation.

FISCAL DESCRIPTION (continued)

- \* Toxic exposure would be defined as an exposure to chemicals, dusts, particulates, fumes, mists, fibers, solvents, vapors, radiation, or other substances or other materials that, when ingested, consumed, inhaled, or absorbed are sufficient to cause disease, death, mutations, cancer, deformities, or reproductive abnormalities in humans. In cases where occupational disease is caused by toxic exposure, there would be no subrogation rights for employers.
- \* The death benefit for employees would be raised from \$5,000 to \$10,000.
- \* The proposal includes an emergency clause.

SOURCES OF INFORMATION

Office of the Governor  
Office of the Secretary of State  
Office of the State Treasurer  
Office of the Attorney General  
Missouri Senate  
Missouri House of Representatives  
Office of Administration  
    Division of Budget and Planning  
    Division of General Services  
Department of Elementary and Secondary Education  
Department of Insurance, Financial Institutions, and Professional Registration  
Department of Labor and Industrial Relations  
Department of Revenue  
Joint Committee on Administrative Rules



Mickey Wilson, CPA  
Director  
February 15, 2012