

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6350-03
Bill No.: Perfected HCS for HB 2116
Subject: Workers Compensation; Taxation and Revenue - Sales and Use; Fire Protection;
 Public Safety, Department of
Type: Original
Date: April 22, 2014

Bill Summary: This proposal would change the laws regarding public safety.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Crime Victims' Compensation	(\$211,528)	(\$253,834)	(\$253,834)
Line of Duty Compensation *	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$211,528)	(\$253,834)	(\$253,834)

* Net of transfers in and payments to beneficiaries.

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 16 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government *	\$0	\$0	\$0

* Net effect of changes in revenues and expenditures.

FISCAL ANALYSIS

ASSUMPTION

Section 94.902, RSMo. - Public Safety Sales Tax:

Changes to this provision would authorize a public safety sales tax for certain cities.

Officials from the **Department of Revenue (DOR)** assumed similar language in HB 1853 LR 5241-01 would authorize the City of North Kansas City to impose a sales tax for public safety purposes, upon voter approval.

DOR officials did not indicate any administrative cost to their organization to implement this proposal and **Oversight** assumes any administrative cost could be absorbed with existing resources.

DOR officials provided an estimate of the IT cost to implement this proposal of \$1,092 based on 40 hours of programming to make changes to DOR systems.

Oversight assumes OA - ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA - ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA - ITSD (DOR) could request funding through the appropriation process.

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

BAP officials assumed similar language in HB 1853 LR 6021-01 would allow voters in Liberty to approve a sales tax up to ½ of one percent to improve public safety of the city. According to reports from the Department of Revenue, taxable sales in Liberty totaled \$377.9 million in 2013. Therefore BAP officials estimated this sales tax might generate $(\$377,900,000 \times .005) = \1.9 million (rounded) annually for the city.

The revenues collected would have no impact on general or total state revenues; however 1% would be retained in the General Revenue Fund to offset Department of Revenue collection costs. Therefore Total State Revenues could increase by \$19,000 if the sales tax is approved.

ASSUMPTION (continued)

Officials from the **City of Liberty** assumed similar language in HB 1853 LR 6021-01 would authorize the city to seek voter approval for a sales tax that could generate \$1.75 million per year in additional support for police and fire operations.

Officials from the **Office of the Secretary of State** and the **Joint Committee on Administrative Rules** assumed similar language in HB 1853 LR 6021-01 would have no impact on their organizations.

Oversight received no other response to this proposal. Oversight notes the proposal would authorize certain cities to enact a public safety sales tax at a rate up to one-half percent, subject to voter approval. For fiscal note purposes, Oversight will include additional revenue for local governments from \$0 to Unknown. Oversight assumes the additional revenues would be spent for public safety purposes and will include additional cost for local governments from \$0 to Unknown. Oversight will also indicate additional revenue for the General Revenue Fund from \$0 to Unknown for the 1% collection charge.

Section 287.453, RSMO. - Line of Duty Compensation:

Officials from the **Department of Labor and Industrial Relations (DOLIR)** provided the following response to this proposal.

DOLIR officials stated the benefit class of recipients who could be awarded Line of Duty Compensation benefits would be increased based on the expansion of what constitutes "Killed in the line of duty" in the proposal. Therefore, the number of pay outs would increase given the larger number of qualifying individuals. The number cannot be estimated, therefore, the increase is unknown.

DOLIR officials included an estimate of unknown additional cost for the General Revenue Fund in their response.

ASSUMPTION (continued)

Oversight notes this program was enacted on June 19, 2009. No payments were made in FY 2009 or FY 2010, but payments (\$25,000 for each) were made on five claims in FY 2011, two claims in FY 2012 and thirteen claims (\$325,000) in FY 2013. Oversight has no information as to the potential increase in eligible claimants for this program which would result from implementing this proposal, and will indicate unknown transfers from the General Revenue Fund to the Line of Duty Compensation Fund and unknown payments to beneficiaries from the Line of Duty Compensation Fund for DOLIR.

Oversight also notes this program would sunset on June 19, 2015 and terminate September 1, 2016. Oversight assumes there would be no fiscal impact after FY 2016 unless the sunset is extended; therefore, Oversight will indicate no fiscal impact for FY 2017.

Officials from the **Office of Administration - Division of General Services (DGS)** noted this proposal would allow for death benefits for any law officers, emergency medical technicians, air ambulance pilots, air ambulance registered professional nurses, paramedics, and firefighters acting in the individual's performance of his or her duties whether the injury is received while the individual is on duty or off duty.

DGS officials assume the proposal would require the state's self insured workers' compensation program fund to pay death benefits for law enforcement officers acting in the individual's performance of his or her duties as a law enforcement officer regardless of whether an injury resulting in death is received while on or off duty.

DGS officials indicated an unknown additional cost to their organization for this proposal.

Officials from the **Department of Public Safety - Missouri Highway Patrol** deferred to the Department of Transportation for an estimate of the fiscal impact to their organization.

Officials from the **Department of Transportation** assume this proposal would have no fiscal impact on their organization, and **Oversight** will not include an estimated cost to road funds for this proposal.

Officials from the **City of Kansas City** and the **Board of Police Commissioners of Kansas City, Missouri** assumed, in response to a previous version of this proposal, there could be additional costs to their organization in the future but could not provide an estimate of such costs.

ASSUMPTION (continued)

Officials from **St. Louis County** assume this proposal would increase the County's exposure in the death of a law enforcement officer. County officials noted the County does not employ emergency medical technicians, air ambulance pilots, air ambulance registered professional nurses, or firefighters. Because these incidents are rare and the fact pattern in each case is different, a reasonable cost estimate associated with this proposed legislation cannot be made at this time.

Officials from the **Columbia Police Department** assumed there would be no significant fiscal impact to their organization from this proposal.

Officials from the **Department of Corrections, the Department of Public Safety, Division of Alcohol and Tobacco Control, Capitol Police, and Division of Fire Safety, and the City of Jefferson City** assume this proposal would have no fiscal impact on their organizations.

Officials from the **St. Louis County Directors of Elections** assumed a previous version of this proposal would have no fiscal impact on their organization.

Oversight assumes this proposal would make changes to and have an impact only on the state program for line of duty compensation, managed by the Department of Labor and Industrial Relations; it would have no direct impact to other state agencies or to local governments.

Section 321.15, 321.130, and 321.210, RSMo. - Fire District Directors

Changes to these provisions would increase the filing fee for election to the position of director of a fire protection district board.

In response to similar language in HB 1226 LR 4227-01, officials from the **Office of the Secretary of State, Cole County, St. Francois County, St. Louis County, the City of Columbia, the Central County Fire and Rescue District, the Kansas City Election Board, the Platte County Board of Elections, and the St. Louis County Directors of Elections** assume this proposal would have no fiscal impact on their organizations.

Oversight received no other response to these provisions, and assumes the provisions would have no impact for fiscal note purposes.

ASSUMPTION (continued)

Not responding

Officials from the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to our request for information.

Officials from the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to our request for information.

Officials from the Boone County Sheriff Department, Buchanan County Sheriff's Department, Clark County Sheriff's Department, Cole County Sheriff Department, Independence Police Department, Jackson County Sheriff Department, Jefferson City Police Department, Platte County Sheriff's Department, Springfield Police Department, St. Charles Police Department, St. Joseph Police Department, St. Louis County Police Department and the St. Louis Metropolitan Police Department did not respond to our request for information.

Amendments

Amendment 1 would extend the sunset for the Line of Duty Compensation program until six years after June 30, 2019.

Oversight assumes the proposed legislation would extend an existing provision by removing or changing the expiration date. Oversight assumes removing or changing the expiration date would extend any fiscal impact associated with the existing provision. Therefore, Oversight has reflected the extended fiscal impact in this fiscal note.

ASSUMPTION (continued)

Amendment 2 would increase the amount of compensation paid for death, personal injury, or loss of earning or support to crime victims from \$200 per week to \$400 per week.

Officials from the **Office of Administration - Division of Budget and Planning** deferred to the Department of Public Safety for a specific estimate on the impact to the Crime Victim' Compensation Fund from similar language in HB 2065 LR 6318-01.

In response to similar language in HB 2065 LR 6318-01, officials from the **Department of Public Safety (DPS)** stated there would be some increase in amounts expended due to the increase in the reimbursement amount; however, due to times when the fund requests increase or decrease, generally, the fund balance has remained around \$6.5 million, which Department officials believe would continue. Therefore, DPS officials assumed the provision would not have a fiscal impact.

Oversight assumes this proposal would double the amount of reimbursement from the Crime Victims' Compensation Fund for lost wages from up to \$200 per week to up to \$400 per week. Information on the DPS web site indicates the following amounts were paid through the Crime Victims' Compensation Program over the most recent three years for wages:

FY 2011	\$359,210
FY 2012	\$212,555
FY 2013	\$189,738

Oversight will use an average of these three years (\$253,834) and assume the proposal would double the amount paid each year from the Crime Victims' Compensation Fund (0681). Oversight will reflect 10 months of impact for FY 2015 and a full year of impact for FY 2016 and FY 2017. Finally, Oversight notes the balance of the Fund at February 28, 2014 was \$7,012,696.

ASSUMPTION (continued)

Amendment 3, as amended, would expand the definition for the current prohibition on impersonating a public servant.

Oversight has no information on the number of cases which might be prosecuted under the amended definition in Section 575.120, RSMo. Therefore, Oversight assumes the proposal would have minimal impact on prosecutions, and the prison or probation populations. The exact cost cannot be estimated, but is expected to be less than \$100,000 annually.

Amendment 4 would transfer the supervision of corporate security advisors to the Department of Public Safety.

Officials from the **Department of Public Safety - Office of the Director (DPS)** stated similar language in HB 1596 LR 5400-01 would require DPS to regulate and license all corporate Security Advisors. DPS officials assumed the Department would have to promulgate rules to implement the provisions of the law and would be required to oversee the licensing of Security Advisors. The addition of the program would necessitate the hiring of a Program Representative II, at an assumed total cost of approximately \$55,000 per year.

Oversight will include the DPS estimate of cost in this fiscal note.

Officials from the **Office of the State Courts Administrator** and **Office of the State Public Defender**, the **Office of Prosecution Services**, the **St. Louis Metropolitan Police Department**, and the **Kansas City Police Department** did not respond to our request for fiscal impact on similar language in HB 1596 LR 5400-01.

ASSUMPTION (continued)

Oversight assumes DPS would charge fees for the licensing, and for the renewal of licenses for corporate security advisors. Oversight does not know the number of corporate security advisors that are licensed each year by the St. Louis Metropolitan Police Department and the Kansas City Police Department. Oversight noted the Code of State Regulations (17 CSR 10-2.040) indicated the Board of Police Commissioners of Kansas City, Missouri had established the following fee schedule:

Annual Company License	\$300
Class A - Armed License	\$145
Class A - Armed License Renewal	\$ 90
Replacement of Lost/Stolen License	\$ 65
Rescheduling Fee	\$ 85

Oversight has no information as to the number of licenses DPS would need to issue, or what fees DPS would charge; however, Oversight assumes DPS would charge fees sufficient to cover their costs of administering this license and will indicate revenues greater than expenditures

Oversight will also reflect a loss of licensing fees to the local political subdivisions and savings from no longer licensing the corporate security advisors, and will assume for fiscal note purposes the amounts would offset.

Amendment 1 to Amendment 4 would add less lethal weapons such as blunt impact, chemical or conducted energy devices to the crime of disarming an officer.

Officials from the **Department of Public Safety - Missouri Highway Patrol, Division of Alcohol and Tobacco Control, Division of Fire Safety, and Capitol Police**, the **Office of Prosecution Services**, and the **Office of State Courts Administrator** assumed similar language in HB 2190 LR 6444-01 would have no fiscal impact to their respective agencies.

Officials from the **Office of State Public Defender (SPD)** stated in response to similar language in HB 2190 LR 6444-01, SPD would not assume existing staff could provide effective representation for any new cases arising where indigent persons faced with the enhanced crime defined in the proposal. SPD officials noted those offenses are defined as a Class C felony.

ASSUMPTION (continued)

SPD officials also stated that while new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, SPD would continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

Oversight assumes SPD could absorb the additional caseload that may result from this proposal.

Officials from the **Department of Corrections (DOC)** stated the penalty component of similar language in HB 2190 LR 6444-01 would result in potential fiscal impact for their organization. DOC officials stated they could not predict the number of new commitments which may result from the expansion of the criteria for the offense(s) outlined in this proposal, and noted an increase in commitments would depend on the utilization by prosecutors and the actual sentences imposed by the courts.

DOC officials also stated if additional persons are sentenced to the custody of DOC due to the new provisions, DOC would incur a corresponding increase in direct offender cost either through incarceration (FY 2013 average of \$18.014 per offender, per day, or an annual cost of \$6,575 per inmate) or through supervision provided by the Board of Probation and Parole (FY 2013 average of \$5.07 per offender, per day or an annual cost of \$1,851 per offender).

In summary, DOC officials assume supervision through probation or incarceration would result in additional unknown costs to the department. Sixteen (16) persons would have to be incarcerated per each fiscal year to exceed \$100,000 annually. Due to the narrow scope of this enhanced crime, it is assumed the impact would be less than \$100,000 per year for the DOC.

Oversight will include an estimated impact for DOC less than \$100,000 per year for fiscal note purposes.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Additional revenue - DOR</u>			
Collection charges for Public Safety Sales Tax			
Section 94.902	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Income - DPS</u>			
Fees from corporate security officers Section 590.750	More than \$52,384	More than \$55,316	More than \$55,878
<u>Transfer Out - to Line of Duty</u>			
Compensation Fund	(Unknown)	(Unknown)	(Unknown)
<u>Additional cost - DOC</u>			
Incarceration / supervision expense Section 575.120	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Additional cost - DOC</u>			
Incarceration / supervision expense Section 575.153	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Cost - DPS</u>			
Regulating corporate security advisors Section 590.750			
Personal Service	(\$29,870)	(\$36,202)	(\$36,564)
Fringe Benefits	(\$15,235)	(\$18,465)	(\$18,649)
Expense and Equipment	(\$7,279)	(\$649)	(\$665)
<u>Total Costs - DPS</u>	<u>(\$52,384)</u>	<u>(\$55,316)</u>	<u>(\$55,878)</u>
FTE Change - DPS	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 or Unknown to (Unknown)</u>	<u>\$0 or Unknown to (Unknown)</u>	<u>\$0 or Unknown to (Unknown)</u>
Estimated Net FTE Effect for General Revenue Fund	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2015 (10 Mo.)	FY 2016	FY 2017
LINE OF DUTY COMPENSATION FUND			
<u>Transfer In</u> - from General Revenue Fund	Unknown	Unknown	Unknown
<u>Cost</u> - DOLIR Line of Duty Compensation Program Changes	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LINE OF DUTY COMPENSATION FUND			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
CRIME VICTIMS COMPENSATION FUND			
<u>Cost</u> - Department of Public Safety - Increasing the weekly benefit amount.	<u>(\$211,528)</u>	<u>(\$253,834)</u>	<u>(\$253,834)</u>
ESTIMATED NET EFFECT TO THE CRIME VICTIMS COMPENSATION FUND			
	<u>(\$211,528)</u>	<u>(\$253,834)</u>	<u>(\$253,834)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL GOVERNMENTS			
<u>Savings</u> - Kansas City and St. Louis Police Departments - no longer regulating corporate security advisors			
Section 590.750	Unknown	Unknown	Unknown
<u>Additional revenues</u> - Local governments Public Safety Sales Tax			
Section 94.902	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue reduction</u> - Kansas City and St. Louis Police Departments - no longer collecting fees from corporate security advisors			
Section 590.750	(Unknown)	(Unknown)	(Unknown)
<u>Additional cost</u> - Local governments Public safety programs			
	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<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

This proposal would make a number of changes to public safety laws.

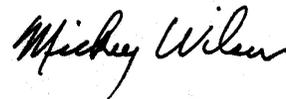
The proposal would authorize a local option public safety sales tax for certain cities, would change the qualifications for the Line of Duty Compensation Program, and would change the filing fee for elected directors of fire protection districts.

In addition, the proposal would extend the sunset for the Line of Duty Compensation Program, increase the weekly compensation paid to crime victims, expand the definition of the crime of impersonating a public servant, transfer the supervision of corporate security advisors to the Department of Public Safety, and expand the list of weapons included in the crime of disarming a peace officer or corrections officer.

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

Office of Administration
 Division of General Services
Department of Corrections
Department of Public Safety
 Division of Alcohol and Tobacco Control
 Capitol Police
 Division of Fire Safety
 Missouri Highway Patrol
St. Louis County
City of Kansas City
Columbia Police Department
Board of Police Commissioners of Kansas City, Missouri
St. Louis County Directors of Elections



Mickey Wilson, CPA
Director
April 22, 2014

Ross Strobe
Assistant Director
April 22, 2014