

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6350-03  
Bill No.: HCS for HB 2116  
Subject: Workers Compensation; Taxation and Revenue - Sales and Use; Fire Protection;  
 Public Safety, Department of  
Type: Original  
Date: April 9, 2014

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

**FISCAL SUMMARY**

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

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Line of Duty Compensation *	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds *</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Net of transfers in and payments to beneficiaries.

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 10 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government *</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Net of additional 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.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE FUND</b>			
<u>Additional revenue</u> - DOR			
Collection charges on Public Safety Sales Tax			
Section 94.902	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer Out</u> - to Line of Duty Compensation Fund			
	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0 or Unknown to (Unknown)</u></b>	<b><u>\$0 or Unknown to (Unknown)</u></b>	<b><u>\$0 or Unknown</u></b>
<b>LINE OF DUTY COMPENSATION FUND</b>			
<u>Transfer In</u> - from General Revenue Fund	Unknown	Unknown	\$0
<u>Cost</u> - DOLIR			
Line of Duty Compensation Program Changes			
	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON LINE OF DUTY COMPENSATION FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>



<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>LOCAL GOVERNMENTS</b>			
<u>Additional revenues</u> - Local governments			
Public Safety Sales Tax			
Section 94.902	\$0 or Unknown	\$0 or Unknown	\$0 or 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>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

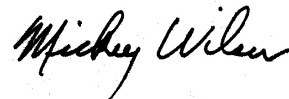
FISCAL DESCRIPTION

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

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 9, 2014

Ross Strobe  
Assistant Director  
April 9, 2014