

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4192-02  
Bill No.: HCS for HB Nos. 1634 & 2085  
Subject: Insurance - General  
Type: Original  
Date: February 25, 2020

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Bill Summary: This proposal adds provisions relating to inducements to insurance.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>  |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                 | <b>FY 2021</b> | <b>FY 2022</b> | <b>FY 2023</b> |
|  |                |                |                |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2021</b> | <b>FY 2022</b> | <b>FY 2023</b> |
|   |                |                |                |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2021</b> | <b>FY 2022</b> | <b>FY 2023</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 2021</b> | <b>FY 2022</b> | <b>FY 2023</b> |
|   |                |                |                |
|   |                |                |                |
| <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 \$100,000 in any of the three fiscal years after implementation of the act.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2021</b> | <b>FY 2022</b> | <b>FY 2023</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Commerce and Insurance**, the **Office of Administration**, the **Missouri Department of Conservation**, the **Department of Transportation** and the **Department of Revenue** each assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies have each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** assumed 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 SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

In response to a similar proposal from this year (HB 2085), officials from the **Department of Labor and Industrial Relations** deferred to the Office of Administration to estimate the fiscal impact of the proposed legislation on their organization.

ASSUMPTION (continued)

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to the Department of Transportation to estimate the fiscal impact of the proposed legislation on their organization.

| FISCAL IMPACT - State Government | FY 2021<br>(10 Mo.) | FY 2022    | FY 2023    |
|----------------------------------|---------------------|------------|------------|
|                                  | <b>\$0</b>          | <b>\$0</b> | <b>\$0</b> |

| FISCAL IMPACT - Local Government | FY 2021<br>(10 Mo.) | FY 2022    | FY 2023    |
|----------------------------------|---------------------|------------|------------|
|                                  | <b>\$0</b>          | <b>\$0</b> | <b>\$0</b> |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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 Commerce and Insurance  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Office of Administration

SOURCES OF INFORMATION (continued)

Missouri Department of Conservation  
Department of Transportation  
Department of Public Safety  
    Missouri Highway Patrol  
Department of Labor and Industrial Relations  
Department of Revenue



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February 25, 2020



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February 25, 2020