

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1469H.02P
 Bill No.: Perfected HCS for HB 922
 Subject: Civil Procedure; Courts; Contracts and Contractors
 Type: Original
 Date: April 13, 2021

Bill Summary: This proposal relates to civil actions.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|-----------------------|-----------------------|-----------------------|
| FUND AFFECTED | FY 2022 | FY 2023 | FY 2024 |
| General Revenue (appropriation reduction to LEF for cost avoidance) | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| Total Estimated Net Effect on General Revenue | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|-----------------------|-----------------------|-----------------------|
| FUND AFFECTED | FY 2022 | FY 2023 | FY 2024 |
| Other State Funds | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| Legal Expense Fund* | \$0 | \$0 | \$0 |
| Tort Victims' Compensation Fund | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |

Numbers within parentheses: () indicate costs or losses.

The potential positive fiscal impact above represents the potential reduction in exposure to liability claims. Conversely, a reduction in punitive damage awards would result in a reduction of proceeds into the state's Tort Victims Compensation Fund. Oversight assumes these amounts could possibly reach \$250,000 in a given year.

*Indicates numbers that net to zero.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2022 | FY 2023 | FY 2024 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2022 | FY 2023 | FY 2024 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|-----------------------------|-----------------------------|-----------------------------|
| FUND AFFECTED | FY 2022 | FY 2023 | FY 2024 |
| | | | |
| Local Government | Unknown to (Unknown) | Unknown to (Unknown) | Unknown to (Unknown) |

FISCAL ANALYSIS

ASSUMPTION

§§516.120 & 516.140 – Statute of Limitations for Personal Injury Claims

Officials from the **Office of Administration (OA)** state §516.140(1) changes the statute of limitation for personal injury claims from five years to two years. This provision has the potential to avoid costs to the state Legal Expense Fund (LEF) for actions alleging negligence against a state employee, due to the limiting time period for bringing such cause of action.

If a claim were successfully brought against a state agency alleging a violation of this legislation, the Legal Expense Fund could be required to pay such claim or claims. The number of potential claims, the severity of those claims, and the ultimate costs associated with any settlement or judgment resulting from those claims cannot be forecasted with any degree of assurance to their accuracy.

The state self-assumes its own liability under the state LEF, Section 105.711, RSMo. It is a self-funding mechanism whereby funds are made available for the payment of any claim or judgment rendered against the state in regard to the waivers of sovereign immunity or against employees and specified and individuals. Investigation, defense, negotiation or settlement of such claims is provided by the Office of the Attorney General. Payment is made by the Commissioner of Administration with the approval of the Attorney General.

OA assumes that no state employee or agency would violate the proposal. Therefore, it is assumed that no successful claims will be made against the Legal Expense Fund and the proposal would thus have no fiscal impact upon the Office of Administration—General Services. However, should that assumption prove incorrect, costs could be avoided by the Legal Expense Fund with this proposal.

Officials from the **Attorney General’s Office**, the **Department of Commerce and Insurance**, the **Department of Revenue** and the **Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight notes information from www.alllaw.com lists the Statute of Limitations on Personal Injury Lawsuits by State. That information is as follows:

| <u>STATUTE OF LIMITATIONS ON PERSONAL INJURY LAWSUITS BY STATE</u> | | | | | |
|--|---------------|----------------|---------------|---------------|---------------|
| <u>1 year</u> | <u>2 year</u> | <u>3 year</u> | <u>4 year</u> | <u>5 year</u> | <u>6 year</u> |
| Kentucky | Alabama | Arkansas | Florida | Missouri | Maine |
| Louisiana | Alaska | DC | Nebraska | | North Dakota |
| Tennessee | Arizona | Maryland | Utah | | |
| | California | Massachusetts | Wyoming | | |
| | Colorado* | Michigan | | | |
| | Connecticut | Mississippi | | | |
| | Delaware | Montana | | | |
| | Georgia | New Hampshire | | | |
| | Hawaii | New Mexico | | | |
| | Idaho | New York | | | |
| | Illinois | North Carolina | | | |
| | Indiana | Rhode Island | | | |
| | Iowa | South Carolina | | | |
| | Kansas | South Dakota | | | |
| | Minnesota | Vermont | | | |
| | Nevada | Washington | | | |
| | New Jersey | Wisconsin | | | |
| | Ohio | | | | |
| | Oklahoma | | | | |
| | Oregon | | | | |
| | Pennsylvania | | | | |
| | Texas | | | | |
| | Virginia | | | | |
| | West Virginia | | | | |
| Source: www.alllaw.com | | | | | |
| *Colorado is 3 years for car accidents | | | | | |

The **Department of Labor and Industrial Relations**' website says "The Tort Victims' Compensation Fund exists to help compensate those who have been injured due to the negligence or recklessness of another (such as in a motor vehicle collision or a hunting accident), and who have been unable to obtain full compensation because the party at fault (the tortfeasor) had no insurance, or inadequate insurance, or has filed for bankruptcy, or for other reasons specified by the law."

Tort Victims Compensation Fund (TVCF) - \$0 to (unknown)

Oversight notes that under §537.675.3, 50% of the punitive damage state judgments, after deducting attorney's fees and expenses, shall go into the Tort Victims' Compensation Fund

(0622). Because this proposal tends to reduce punitive damages awards by reducing the time frame to file suit, Oversight assumes a possible negative fiscal impact to the Tort Victims Compensation Fund.

Information provided by the Attorney General shows that between July, 2014, and December, 2019, the Tort Victims Compensation Fund received \$20,043,083. During that period, average annual payments into the Tort Victims Compensation Fund (TVCF) were \$3,644,197.

Oversight does not know how many cases affected by this proposal would not be brought because of the change in the statute of limitations.

The AGO does not track the types of claims paying into the TVCF, so this number is likely an overestimate, as it includes claims not affected by this proposal. Because **Oversight** was unable to get more specific information about the number of claims filed between two and five years after the claim arose, Oversight will show a \$0 to (unknown) to the TVCF.

Legal Expense Fund (LEF) - \$0 to unknown

“The State Legal Expense Fund (LEF) is used for payments in resolution of judgments or claims for damages from injured parties arising out of the actions of state employees, agencies, contracted physicians, and the condition of state property.” *Audit Report No. 2017-098*

Officials from the Office of Administration did not respond to **Oversight’s** request for fiscal impact for this proposal. However, information from the Office of Administration (OARM) from SB 633 from 2020 shows that the LEF spent \$14,900,000 on personal injury and wrongful death claims in FY 2015-2018. The annual average of those claims is \$3,725,000.

According to information from OARM, 20% of the LEF’s funds comes from other state funds, implying \$0 up to \$3,725,000 annually reduced LEF expenditures, with \$2,980,000 through General Revenue appropriations, and \$745,000 from other funds.

Oversight notes that these numbers are likely an overestimate, as it includes claims that could be brought within two years. Because **Oversight** was unable to get more specific information about the number of claims filed between two and five years after the claim arose, Oversight will show a \$0 to unknown net direct fiscal impact.

House Amendment 1

Oversight notes this amendment includes an emergency clause on §§516.120 & 516.140 and assumes no direct impact from this amendment.

House Amendment 2

Oversight notes this amendment includes a title change and assumes no direct impact from this amendment.

House Amendment 3 – §§537.880, 537.882, 537.884, 537.886, 537.888 & 537.890 - Damages due to exposure to asbestos

In response to similar legislation from this year (HCS for HB 363), officials from the **Attorney General’s Office (AGO)** assumed that if this legislation becomes law, it could be more difficult for claimants to receive punitive damages, thus the total amount of punitive damages awarded in Missouri could decrease. Since the Tort Victims’ Compensation Fund is funded by liens on punitive damages, the AGO assumes that a decrease in punitive damages awarded would decrease the amount of funds generated through these liens for the Tort Victims’ Compensation Fund.

It is not possible to know the extent to which punitive damages awarded to claimants will decrease under this proposal, therefore, the AGO assumes it will have an unknown negative fiscal impact on the Tort Victims’ Compensation Fund.

Oversight notes that under §537.675.3, 50% of the punitive damage state judgments, after deducting attorney's fees and expenses, shall go into the Tort Victims' Compensation Fund (0622). Information provided by the Attorney General shows that between July, 2014, and December, 2019, the Tort Victims Compensation Fund received \$20,043,083. During that period, average annual payments into the Tort Victims Compensation Fund (TVCF) were \$3,644,197.

The AGO does not track the types of claims payed into the TVCF, so this number is likely an overestimate, as it includes claims not affected by this proposal. Oversight notes on average from 2015 to 2019, the court heard 270 cases regarding asbestos tort actions according to the table below. Therefore, **Oversight** will show a \$0 to (unknown) fiscal impact to the TVCF.

| Year | Asbestos Cases |
|-------------|-----------------------|
| 2015 | 268 |
| 2016 | 303 |
| 2017 | 353 |
| 2018 | 161 |
| 2019 | 267 |
| Average | 270 |

Tables 27 & 33 – OSCA’s Statistical Annual Report Supplement

In response to similar legislation from this year (HCS for HB 363), officials from the **Office of the State Courts Administrator** and the **Department of Labor and Industrial Relations** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight**

does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to similar legislation from this year (HCS for HB 363), officials from the **Department of Public Safety's Veterans Commission** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

In response to similar legislation from this year (HCS for HB 363), officials from the **Fruitland Area Fire Protection District** assumed a positive impact for cases involving asbestos exposure and disease resulting from exposure.

In response to similar legislation from this year (HCS for HB 363), officials from the **City of Kansas City**, the **City of Springfield** and the **Pettis County Ambulance District** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

House Amendment 4 - §§162.012 & 170.038 – Liability Claims in Educational Settings

In response to similar legislation from this year (HB 1304), officials from the **Department of Elementary and Secondary Education** and the **Department of Commerce and Insurance** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight requested additional input from the Attorney General's Office and the Department of Labor and Industrial Relations; however, Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time.

Oversight did not receive any responses from school districts related to the fiscal impact of this proposal. Oversight is ultimately uncertain how this proposal may impact school districts' exposure to liability, but assumes this proposal includes work-based learning programs in the definition of school-sponsored activity. For purposes of this fiscal note, Oversight will show a range of impact from \$0 (no additional liability) to an unknown cost to school districts for increased liability or liability insurance.

Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

House Amendment 5 - §287.120 – Workers' Compensation

In response to similar legislation from this year (HB 1119), officials from the **Department of**

Labor and Industrial Relations (DOLIR) assumed this proposal would not have a direct fiscal impact on their respective organization.

Additionally, there is the possibility of a slight increase to the cost of workers' compensation premiums for employers covered by the legislation since it makes it more difficult for claimants to sue co-employees in civil court unless the co-employee's act was willful and intentional rather than merely negligent. This would have the net effect of keeping cases of co-employee liability involving negligence within the workers' compensation system, potentially leading to a slight increase in premiums. However, there should also be less likelihood that cases of co-employee liability would be filed in circuit court, potentially shielding employers from the prospect of large civil judgments and unexpected business costs due to litigation.

It should be noted that even when claimants recover damages against liable third parties for their work comp injuries, insurers/employers are entitled to subrogation for a portion of those damages recovered. RSMo. 287.150. It is difficult to determine how often insurers seek subrogation owing to the difficulty of recovery and the possible disruption of the employer/employee relationship with their insured.

Officials from the DOLIR assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

In response to similar legislation from this year (HB 1119), officials from the **Missouri Department of Conservation** assumed the proposal would have direct fiscal impact on their respective organization of Unknown negative fiscal impact but likely less than \$250,000.

Oversight notes that as per DOLIR statement it is more difficult for claimants to sue co-employees in civil court unless the co-employee's act was willful and intentional rather than merely negligent. Since this proposal puts forward more stringent rules of when the employee is able to file suit against the employer Oversight assume the fiscal impact would be lesser, not larger, than the one shown by MDC. Therefore, Oversight will not reflect an impact for MDC for purposes of this fiscal note.

In response to similar legislation from this year (HB 1119), officials from the **Attorney General's Office, Office of Administration – Budget & Planning, Department of Economic Development, Department of Elementary and Secondary Education, Department of Higher Education and Workforce Development, Department of Natural Resources, Department of Corrections, Department of Revenue, Department of Public Safety – Capital Police, Department of Public Safety- Fire Safety, Department of Public Safety – National Guard, Department of Public Safety – Veterans Commission, Missouri Department of Agriculture, Department of Social Services, Missouri Ethics Commission, MoDOT & Patrol Employees' Retirement System** each assume the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies for this section of the proposal.

In response to similar legislation from this year (HB 1119), officials from the **Department of Health and Senior Services** and **Department of Mental Health** both deferred to the **Office of Administration (OA)** for the potential fiscal impact of this proposal.

In response to similar legislation from this year (HB 1119), officials from the **Office of Administration – Administrative Hearing Commission** and **Office of Administration (OA)** both assumed this proposal would have no direct fiscal impact on their respective organization.

Officials from the OA and OA-AHC assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

In response to similar legislation from this year (HB 1119), officials from the **Missouri University, Missouri State University, Northwest Missouri State University, State Technical College of Missouri, and University of Central Missouri** each assumed this proposal would not have a direct fiscal impact on their respective organization.

In response to similar legislation from this year (HB 1119), officials from the **City of Corder, City of Kansas City, City of O’Fallon, City of Springfield, City of Saint Louis – Budget Division, and Springfield R-XII School** each assumed this proposal would not have a direct fiscal impact on their respective organization.

In response to similar legislation from this year (HB 1119), officials from the **Office of the Secretary of State (SOS)** assumed [that] many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State’s office 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 Secretary of State’s office for Administrative Rules is less than \$5,000. The Secretary of State’s office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they 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 their office can sustain with their core budget. Therefore, they 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.

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 request funding through the appropriation process.

House Amendment 5 - §516.099 – Product Liability Suits

In response to similar legislation from this year (HB 474), officials from the **Office of the State Courts Administrator, the Attorney General’s Office, the Department of Commerce and**

Insurance and the **Department of Revenue** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to similar legislation from 2020, perfected HB 1596, officials at the **Office of Administration** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

House Amendment 5 - §537.771 – Civil Liability from products manufactured or sold by third parties

In response to similar legislation from this year (HCS for HB 782), officials from the **Office of the State Courts Administrator**, the **Department of Commerce and Insurance** and the **Department of Revenue** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to similar legislation from this year (HCS for HB 782), officials from the **Attorney General’s Office** and the **Office of Administration** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

House Amendment 5 - §211.261 - Appeals allowed to certain people from any order modifying the placement of a child

In response to similar legislation from this year (HB 673), officials from the **Department of Social Services’ Children’s Division (CD)** stated this section provides, notwithstanding the provisions of subsection 1 of this section, an appeal shall be allowed to the:

- (2) Parent, guardian ad litem, or juvenile officer from any order changing or modifying the placement of a child.

This language possesses a potential impact to CD given an appeal of an order of placement would increase workload for the case manager to identify an alternative placement option, could potentially increase the length of time for a child in care due to placement disruption and could potentially increase the need for the Division of Legal Services (DLS) assistance. It is unknown currently how many cases have a court ordered placement.

Oversight does not have any information to the contrary. Oversight notes CD and DLS did not request additional staff to implement the provisions of this section. Therefore, Oversight assumes CD and DLS will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to CD or DLS for fiscal note purposes.

Oversight also assumes CD and/or DLS may seek additional appropriations if this section of the proposal results in a significant increase in costs.

House Amendment 6 – §§435.415 & 537.065 - Arbitration Awards and Court Proceedings for Insurance Companies

In response to similar legislation from this year (HB 345), officials from the **Office of the State Courts Administrator**, the **Attorney General's Office**, the **Department of Commerce and Insurance** and the **Department of Labor and Industrial Relations** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to similar legislation from this year (HB 345), officials from the **Office of Administration** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

House Amendment 7 - §490.715 – Collateral Source Rule

In response to similar legislation from this year (HCS for HB 577), officials from the **Office of the State Courts Administrator**, the **Attorney General's Office**, the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Department of Mental Health** and the **Department of Social Services** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

House Amendment 7 - §537.328 – Immunity from liability for inherent risks of camping on private campgrounds

In response to similar legislation from this year (HB 72), officials from the **Attorney General's Office**, the **Department of Natural Resources**, the **Department of Labor and Industrial Relations**, the **Missouri Department of Conservation**, the **Missouri Office of Prosecution Services** and the **Office of the State Public Defender** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Public Safety's Division of Alcohol and Tobacco Control**, **Office of the Director**, **Missouri Highway Patrol**, **State Emergency Management Agency**, the **Missouri Department of Transportation**, the **City of Claycomo** and the **Missouri Office of Prosecution Services** each assume the proposal will have no fiscal impact on their respective

organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, circuit clerks, fire protection districts, ambulance districts, schools, charter schools and colleges were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

| <u>FISCAL IMPACT – State Government</u> | FY 2022 (10 Mo.) | FY 2023 | FY 2024 |
|---|-----------------------|-----------------------|-----------------------|
| GENERAL REVENUE | | | |
| <u>Cost Savings</u> – potential reduction on pay outs of personal injury damages from LEF (§§516.120 & 516.140) pg. 3-5 | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> |
| ESTIMATED NET EFFECT ON GENERAL REVENUE | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> |
| OTHER STATE FUNDS | | | |
| <u>Cost Savings</u> – Potential reduction in payments to Legal Expense Fund (§§516.120 & 516.140) pg. 3-5 | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> |
| ESTIMATED NET EFFECT TO OTHER STATE FUNDS | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> |
| <u>FISCAL IMPACT – State Government</u> | FY 2022 (10 Mo.) | FY 2023 | FY 2024 |
| LEGAL EXPENSE FUND (0692) | | | |
| <u>Cost Avoidance</u> – potential reduction on | | | |

| | | | |
|---|--------------------------------|--------------------------------|--------------------------------|
| payouts of injury damages from LEF (§§516.120 & 516.140) pg. 3-5 | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| <u>Transfer In</u> – Reduction in appropriation from GR (§§516.120 & 516.140) pg. 3-5 | <u>\$0 to (Unknown)</u> | <u>\$0 to (Unknown)</u> | <u>\$0 to (Unknown)</u> |
| ESTIMATED NET EFFECT ON LEGAL EXPENSE FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| TORT VICTIMS COMPENSATION FUND | | | |
| <u>Loss</u> – Various State Agencies - potential reduction from payouts of punitive damages to TVCF (§§516.120 & 516.140, 537.880 thru 537.890) pg. 3-7 | <u>\$0 to (Unknown)</u> | <u>\$0 to (Unknown)</u> | <u>\$0 to (Unknown)</u> |
| ESTIMATED NET EFFECT ON TORT VICTIMS’ COMPENSATION FUND | <u>\$0 to (Unknown)</u> | <u>\$0 to (Unknown)</u> | <u>\$0 to (Unknown)</u> |

| <u>FISCAL IMPACT – Local Government</u> | FY 2022 (10 Mo.) | FY 2023 | FY 2024 |
|--|---------------------------------|---------------------------------|---------------------------------|
| LOCAL POLITICAL SUBDIVISIONS | | | |
| <u>Cost Savings –</u> Potential reduction in injury damages paid (§§516.120 & 516.140) pg. 3-5 | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| <u>Costs – School Districts – for increased exposure to liability or insurance costs (§§162.012 & 170.038) pg. 7</u> | <u>\$0 or (Unknown)</u> | <u>\$0 or (Unknown)</u> | <u>\$0 or (Unknown)</u> |
| ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS | <u>Unknown to (Unknown)</u> | <u>Unknown to (Unknown)</u> | <u>Unknown to (Unknown)</u> |

FISCAL IMPACT – Small Business

Small businesses could be either positively (defendant) or negatively (plaintiff) as a result of this proposal in sections 516.120, 516.140 & 537.880 thru 537.890.

Oversight assumes this proposal may waive civil liability for employers who accepts students in work-based learning programs in sections 162.012 & 170.038.

Small businesses could see a slight increase to the cost of workers’ compensation premiums for employers covered by the legislation as noted by DOLIR in section 287.120.

Some small businesses could receive more protection as a result of this proposal as they would be protected from claims barred under this proposal. Some small businesses could be harmed if they are trying to recover on a claim barred by this proposal from sections 516.099 & 537.771.

Small business campgrounds could be positively impacted by this proposal if it provides some level of protection against lawsuits from section 537.328.

FISCAL DESCRIPTION

§§516.120 & 516.140 – Statute of Limitations for Personal Injury Claims

Currently, actions for personal injury must be brought within five years from the date the injury occurred. This bill reduces the time frame to two years from when the injury occurred.

These sections contain an emergency clause.

§§537.880, 537.882, 537.884, 537.886, 537.888 & 537.890 - Damages due to exposure to asbestos

This bill applies to asbestos tort actions filed on or after August 28, 2021, and to pending asbestos tort actions where trial has not commenced as of such date. The bill:

- (1) Requires a claimant to provide all parties in an action a sworn statement indicating that all asbestos trust claims that the claimant can file have been completed and filed. In addition, the claimant must provide all parties with all trust materials relating to the asbestos exposure and related claims;
- (2) (2) Allows any defendant in an asbestos tort action to file a motion for an order to stay the proceedings. The motion must contain information the defendant believes supports any additional asbestos trust claim that the claimant may file;
- (3) Requires trust claims materials and trust governance documents to be admissible in evidence. Claims of privilege do not apply to trust claims materials or trust governance documents;
- (4) Allows the parties in the asbestos tort action to introduce at trial any trust claims material to prove alternative causation for the exposed person's claimed injury, death, or loss to person to prove a basis to allocate responsibility for the claimant's claimed injury, death, or loss to person and to prove issues relevant to an adjudication of the asbestos claim, unless the exclusion of the trust claims material is otherwise required by the rules of evidence. Settlements with bankruptcy trusts shall reduce the claim by the stipulated amount of the agreement or amount of consideration paid; and
- (5) Allows the court to, upon motion by the defendant, dismiss an action without prejudice for the claimant's failure to comply with these disclosure requirements. A defendant may, within three years after judgment, move to reopen a judgment in an asbestos action if a claimant files certain additional asbestos trust claims.

§§162.012 & 170.038 – Liability Claims in Educational Settings

The bill allows school boards of any school district to purchase insurance contracts to insure against loss, damages, or expenses for a claim arising out of the sickness, bodily injury, or death by accident of any student injured on school premises or during school-sponsored activities; as

well as insurance for the benefit of students to insure against losses resulting from loss of, theft of, or damage to personal property of students.

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

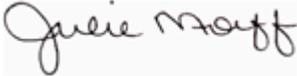
Attorney General's Office
Department of Commerce and Insurance
Office of the State Courts Administrator
Office of Administration
Department of Labor and Industrial Relations
Missouri Department of Conservation
Office of Administration – Administrative Hearing Commission
Office of Administration – Budget & Planning
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Natural Resources
Department of Corrections
Department of Revenue
Department of Public Safety

- Alcohol and Tobacco Control
- Capital Police
- Fire Safety
- Directors Office
- National Guard
- Veterans Commission
- Missouri Highway Patrol
- State Emergency Management Agency

Missouri Department of Agriculture
Department of Social Services
Missouri Ethics Commission
MoDOT & Patrol Employees' Retirement System
Office of the Secretary of State
Missouri Department of Transportation
Missouri University
Missouri State University
Northwest Missouri State University
State Technical College of Missouri
University of Central Missouri
City of Corder
City of Kansas City

L.R. No. 1469H.02P
Bill No. Perfected HCS for HB 922
Page **18** of **18**
April 13, 2021

City of O'Fallon
City of Springfield
City of Saint Louis – Budget Division
Springfield R-XII School
Department of Health and Senior Services
Department of Mental Health
Fruitland Area Fire Protection District
Pettis County Ambulance District
City of Claycomo
Missouri Office of Prosecution Services
Office of the State Public Defender



Julie Morff
Director
April 13, 2021



Ross Strope
Assistant Director
April 13, 2021