

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3264H.011
Bill No.: HB 1960
Subject: Health, Public; Political Subdivisions
Type: Original
Date: March 8, 2022

Bill Summary: This proposal creates provisions relating to masking requirements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
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 2023	FY 2024	FY 2025
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health (DMH)** assume this proposed legislation will hinder DMH's ability to protect the population served by DMH in a congregate setting. For example, DMH currently requires staff at certain DMH inpatient facilities to undergo tuberculosis testing. Should an outbreak occur, DMH may need to require protective equipment to prevent further infection. The patient population served by DMH has higher rates of comorbidities and demographic factors that make those patients more vulnerable to infectious disease. Due to the vulnerable population served by DMH, it is critical for DMH to set required working conditions in DMH operated congregate settings for the safety of both staff and patients.

Due to the uncertainty surrounding the proposed legislation ability to protect the population served by DMH, the DMH cannot calculate a fiscal impact at this stage; therefore, the fiscal impact to the DMH is unknown at this time.

Officials from the **University of Missouri System** state if the federal contractor masking mandate is upheld by the courts and this measure prohibits compliance with the federal mandate, the university would lose in excess of \$76 million of federal contracts.

Officials from the **City of Springfield** anticipate a substantial negative fiscal impact if this bill is passed and an emergency requiring masking arises. The list of approved masks in the bill is very restrictive and in an emergency, the approved masks may not be available, effectively making it impossible for a city to pass a masking ordinance. The bill is likely to create an increased demand for the approved mask types, leading to shipping and supply bottlenecks and increased prices unless other government agencies can procure the masks more cheaply and distribute to municipalities. The City estimates a maximum cost of \$7.5 million per month to comply with the bill's requirement to provide free masks to the public in the event a masking ordinance is needed (assuming acquiring 7.5 million N95 masks to distribute to the public monthly at \$1 each). Note that N95 masks presently are the least expensive of the approved masks in the bill. If insufficient N95 masks were available to purchase, the estimate would increase. N100 masks, for example, currently cost \$14 per mask.

Additionally, the provision making municipalities liable for medical conditions caused by mask-wearing required by an order would likely raise the City's insurance premiums and/or increase its deductible.

Oversight does not have information to the contrary. Other local political subdivisions could also be impacted by this proposal. Therefore, Oversight will reflect a potential negative unknown fiscal impact to locals.

Officials from the **Office of the Secretary of State (SOS)** note 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 its 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 request funding through the appropriation process.

Officials from the **Attorney General's Office**, the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety (Office of the Director, Capitol Police, Alcohol & Tobacco Control, Fire Safety, Gaming Commission, Missouri Highway Patrol, Missouri National Guard, State Emergency Management Agency and Veterans Commission)**, the **Department of Social Services**, the **Office of the Governor**, the **Joint Committee on Administrative Rules**, the **Joint Committee on Public Employee Retirement**, the **Missouri Lottery Commission**, the **Missouri Consolidated Health Care Plan**, the **Department of Agriculture**, the **Missouri Department of Conservation**, the **Missouri Ethics Commission**, the **Missouri House of Representatives**, the **Department of Transportation**, the **Office of Prosecution Services**, the **Office of Administration (Administrative Hearing Commission and Budget and Planning)**, the **Office of the State Courts Administrator**, the **Office of the State Auditor**, the **Missouri Senate**, the **Office of the State Public Defender**, the **Office of the State Treasurer**, the **MoDOT & Patrol Employees' Retirement System**, **Office of Administration**, the **Petroleum Storage Tank Insurance Fund**, the **Joint Committee on Education**, **Legislative Research**, the **Oversight Divisions**, the **Missouri Higher Education Loan Authority**, the **Missouri State Employees Retirement System** and the **State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations for this proposal.

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

Officials from the **City of Kansas City**, the **City of O’Fallon**, the **Newton County Health Department** and the **St. Louis County Health Department** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
<u>Costs</u> – potential costs to LPS who implement public health orders requiring (and providing) masks	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill defines "Masking order" as a public health order, ordinance, or rule requiring the wearing of masks, issued by the local governing body, local government entity or local government official in response to a public health threat. The bill sets forth the types of masks that satisfy the mask-wearing requirements. Other factors relating to the masking order such as posting of the order with instructions for proper fitting and disposal, duration of the order and renewals, and procedure for obtaining an exemption are included in the bill (Sections 67.265 and 67.267, RSMo).

Any local government entity or local governing body that issues a masking order assumes all liability for any medical condition that is caused by the mask-wearing required by the order regardless of the sovereign immunity provisions or any other provision of the law.

Any school district or charter school that requires its students to wear masks during school hours shall offer a remote learning option to any student that does not wish to comply with the order.

Any masking requirement issued by the Governor or state government official supercedes contrary masking requirement orders issued by a local government entity or body.

The masking order does not apply to the term "order" defined in Section 67.265.

This bill also defines certain terms and specifies that a masking order does not apply to any public area in a government building unless the order is issued by the Governor or state government officials under a state of emergency declaration (Section 191.245).

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 Mental Health
Office of the Secretary of State
University of Missouri System
City of Springfield
Attorney General's Office
Department of Commerce and Insurance
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
Department of Social Services
Office of the Governor
Joint Committee on Administrative Rules
Joint Committee on Public Employee Retirement
Missouri Lottery Commission
Missouri Consolidated Health Care Plan
Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri House of Representatives
Department of Transportation
Office of Prosecution Services

L.R. No. 3264H.011

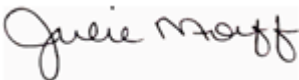
Bill No. HB 1960

Page 7 of 7

March 8, 2022

Office of Administration
Office of the State Courts Administrator
Office of the State Auditor
Missouri Senate
Office of the State Public Defender
Office of the State Treasurer
MoDOT & Patrol Employees' Retirement System
Office of Administration
Petroleum Storage Tank Insurance Fund
Joint Committee on Education
Legislative Research
Oversight Divisions
Missouri Higher Education Loan Authority
Missouri State Employees Retirement System
State Tax Commission
City of Kansas City

City of O'Fallon
Newton County Health Department
St. Louis County Health Department



Julie Morff
Director
March 8, 2022



Ross Strobe
Assistant Director
March 8, 2022