

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5038H.011
Bill No.: HB 2400
Subject: Labor and Management; Employees - Employers; Department of Labor and Industrial Relations; Retirement Systems and Benefits - General
Type: Original
Date: February 15, 2022

Bill Summary: This proposal modifies provisions relating to professional employer organizations.

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 State Funds</u>	\$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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Administrative Hearing Commission, Office of Administration - Budget and Planning, Department of Commerce and Insurance, Department of Economic Development, Department of Mental Health, Department of Labor and Industrial Relations, Department of Revenue, Department of Social Services, Missouri Department of Conservation, Missouri Department of Transportation, MoDOT & Patrol Employees' Retirement System, Office of Administration, Missouri State Employee's Retirement System, University of Missouri System, the City of Kansas City, the City of O'Fallon, and the City of Springfield** 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.

Officials from the **Department of Health and Senior Services (DHSS)** defer to the OA for the potential fiscal impact of this proposal.

Officials from the **University of Central Missouri** indicated the proposal would have an indeterminate fiscal impact on their organization. **Oversight** requested more information from the University of Central Missouri regarding their response; however, the organization did not provide any detail as to elaborate on specific impact stemming from the proposal.

Officials from the **Office of the Secretary of State (SOS)** note that 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 SOS 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 is provided with core funding to handle a certain amount of activity each year. Oversight assumes the SOS could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, the SOS could request funding through the appropriation process.

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

<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
	<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 modifies provisions relating to professional employer organizations. The proposal will have no direct fiscal impact on state government or local political subdivisions.

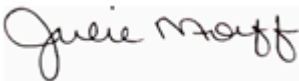
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

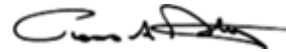
- Office of Administration - Administrative Hearing Commission
- Office of Administration - Budget and Planning
- Department of Commerce and Insurance
- Department of Economic Development
- Department of Mental Health
- Department of Labor and Industrial Relations
- Department of Revenue
- Department of Social Services
- Missouri Department of Conservation
- Missouri Department of Transportation
- MoDOT & Patrol Employees' Retirement System

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Office of Administration
Office of the Secretary of State
Missouri State Employee's Retirement System
University of Missouri System
City of Kansas City
City of O'Fallon
City of Springfield
University of Central Missouri



Julie Morff
Director
February 15, 2022



Ross Strope
Assistant Director
February 15, 2022