

FISCAL NOTE
HOUSE BILL NO. 1406
LC# 23.0712.02000
01/23/2023

1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$14,145,124		\$12,011,724	
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB 1406 requires the department to study and maintain records on the effects of any SARS - CoV - 2 vaccine. If it promotes, markets, or advertises the vaccine, it shall cover the costs of treatment and diagnostics for individuals who suffer any "physical injury."

4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

Section 1 requires a study and the maintenance of records on the effects of any vaccine intended to develop an immune system response to SARS - CoV - 2 and any mutation or viral fragments of SARS - CoV - 2. The Department would anticipate contracting with a provider or University to conduct the study. NDIT would need to build or host a system to maintain the records. Education materials would need to be created and distributed to health

care professionals and the public. The Department would require one FTE to oversee the project. This section also designates that if the Department promotes, markets, or advertises any COVID vaccine, the Department would be required to cover the costs of treatment and diagnostics for any individual who suffers any "physical injury" due to receiving the vaccine. A panel of three physicians to review claims of physical injury would be needed. The Department anticipates the need for legal fees due to potential lawsuits. And funds may be needed to pay for potential claims for injuries.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Section 1 requires a study and the maintenance of records. The Department anticipates contracting with a provider or University to conduct the study on the effects of the vaccine at a cost of \$3,000,000 in the 23-25 biennium and \$3,150,000 in the 25-27 biennium. The cost for NDI to build a system to maintain the records is estimated at \$2,510,000 in the 23-25 biennium and \$226,600 to maintain the system in the 25-27 biennium. Education materials would need to be created and distributed to health care professionals and the public at a cost of \$20,000 in each of the 23-25 and 25-27 bienniums. The Department would require one FTE to oversee the project at a cost of \$225,124 for the 23-25 and 25-27 bienniums.

This section also designates if the Department promotes, markets, or advertises any COVID vaccine, the Department would be required to cover the costs of treatment and diagnostics for any individual who suffers any "physical injury" due to receiving the vaccine. The need for a panel of 3 physicians to review claims of injury is anticipated to cost \$750,000 in each of the 23-25 and 25-27 bienniums. The Department anticipates the need for legal fees due to potential law suites at \$500,000 in each of the 23-25 and 25-27 bienniums. The average reimbursement through the National Vaccine Injury Compensation program (VICP) is \$357,000 per claim. Physical injury is not defined in HB 1406 but, limiting it to 20 claims per biennium would cost \$7,140,000 in each of the 23-25 and 25-27 bienniums.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

An appropriation of \$14,145,124 will be needed in the 2023 - 2025 biennium in order to operate as this is not reflected in HB 1004, the appropriation bill for the Public Health Divisions of the Department of Health and Human Services.

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