

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4127-02
Bill No.: HB 1433
Subject: Business and Commerce; Employees - Employers; Labor and Management
Type: Original
Date: April 18, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
State Fair Fees *	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds *	(Unknown)	(Unknown)	(Unknown)

* Unknown expected to be less than \$100,000.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** stated 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 Office for Administrative Rules is less than \$1,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we 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 our office can sustain with our core budget. Therefore, we 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.

Officials from the **Office of Administration, Division of Personnel, the Department of Economic Development, Division of Workforce Development, the Department of Elementary and Secondary Education, and the Department of Labor and Industrial Relations** assume this proposal would have no fiscal impact on their organizations.

ASSUMPTION (continued)

Officials from the **Department of Agriculture** (AGR) assume this proposal would result in increased costs to their organization as a result of increased wages paid to seasonal and temporary workers. AGR calculated a projected FY 2007 cost of \$49,627 using CY2005 work hours and wages for employees who earned less than \$6.50/hour. AGR stated that increases for future fiscal years could not be calculated due to the uncertainty of Consumer Price Index figures.

Oversight assumes the increased cost for FY 2008 and FY 2009 would be greater than the cost for FY 2007; however, Oversight notes that the actual cost could be more or less than calculated if the number of State Fair employees and their wage rates change. Oversight has included an estimated unknown cost, expected to be less than \$100,000, in this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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STATE FAIR FEES FUND

<u>Cost - Department of Agriculture</u> Increased wages *	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
STATE FAIR FEES FUND ***

* Unknown expected to be less than \$100,000.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact to small businesses who currently pay employees less than the proposed state minimum wages.

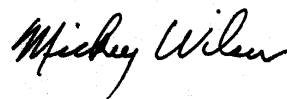
DESCRIPTION

This proposal would create a system of minimum wage rates. Specified minimum rates would apply to categories of agricultural and other employment, and special rates would apply to new employees, minor employees, camp counselors, and tipped employees. Allowable charges to employees for meals and lodging provided by an employer would also be specified.

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 the Secretary of State
Office of Administration
 Division of Personnel
Department of Agriculture
Department of Economic Development
 Division of Workforce Development
Department of Elementary and Secondary Education
Department of Labor and Industrial Relations



Mickey Wilson, CPA
Director
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