

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3816-01
Bill No.: HB 1840
Subject: Business and Commerce; Employees - Employers; Labor and Management
Type: Original
Date: February 11, 2008

Bill Summary: This proposal requires certain businesses to provide four weeks of paid maternity or paternity leave for its employees.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
UC Trust Fund	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Attorney General** assume that there is no fiscal impact from this proposal.

Officials at the **Department of Labor and Industrial Relations** assume the legislation does not indicate the consequences if a business does not pay the employee. If an employer violates this proposal and an employee quits because of this violation, the situation could be considered good cause to quit under the unemployment insurance law and the employee would be eligible for unemployment benefits.

The bill would cover 57% of the Missouri workforce (1,633,313 of 2,849,376), according to the Division of Employment Security quarterly wage reports. Based on the number of potential Missouri workers affected, it is assumed the number impacted would be large; however the Department has no way of determining the actual number of businesses that would not pay the employee or the number of employees that would subsequently apply for unemployment compensation. Even though a large number of individuals would be affected by this provision, the Department is assuming the cost to the trust fund is unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
UC TRUST FUND			
<u>Cost</u> - Department of Labor unemployment claims	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON UC TRUST FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Businesses employing more than 100 workers, would be effected as this proposal requires they provide maternity leave.

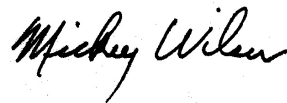
FISCAL DESCRIPTION

This bill requires businesses employing more than 100 individuals to provide them with four weeks of paid family leave for the birth of an employee's child or because of the placement of a child with the employee for adoption.

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 Attorney General
Department of Labor and Industrial Relations



Mickey Wilson, CPA
Director
February 11, 2008