

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5562-02
Bill No.: HCS for HB 2460
Subject: Administration, Office of; Civil Rights
Type: Original
Date: May 1, 2008

Bill Summary: This proposal modifies various provisions of the Missouri Human Rights Act.

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 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Federal Funds	(\$1,101,700)	(\$1,101,700)	(\$1,101,700)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$1,101,700)	(\$1,101,700)	(\$1,101,700)

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 State Courts Administrator, Department of Economic Development, Department of Insurance, Financial Institutions and Professional Registration** and the **Department of Conservation** assume that there is no fiscal impact from this proposal.

In response to similar legislation HB 1858 filed this year, officials at the **Office of Administration** assume that there is no fiscal impact from this proposal.

Officials at the **Office of the Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Department of Labor and Industrial Relations** assume the fiscal impact was calculated by using the current EEOC and HUD contract amounts. The total for Missouri Commission on Human Rights current contract with HUD equals \$385,100. The current contract amount with EEOC is currently \$716,600. HUD has already indicated a compliance issue with the new language. The fiscal impact at this time is a loss of federal funds in the amount of \$1,101,700.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
FEDERAL FUNDS			
<u>Loss - HUD & EEOC contract</u>	<u>(\$1,101,700)</u>	<u>(\$1,101,700)</u>	<u>(\$1,101,700)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(\$1,101,700)</u>	<u>(\$1,101,700)</u>	<u>(\$1,101,700)</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

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

FISCAL DESCRIPTION

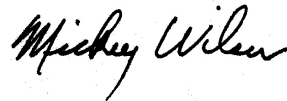
This bill changes the laws regarding the Missouri Human Rights Act. In its main provisions, the bill:

- (1) Revises the definition of "discrimination" to an adverse action motivated by race, color, religion, national origin, ancestry, sex, or age as it relates to employment, disability, or familial status as it relates to housing;
- (2) Removes any person directly acting in the interest of an employer from the definition of "employer";
- (3) Specifies that it is an unlawful employment practice when race, color, religion, national origin, ancestry, sex, age, or disability of any individual is the factor motivating the employer's decision to fail or refuse to hire or otherwise limit the individual's employment and for an employer, in an employment context, or for a person, in a housing or real estate context, to engage in an adverse action motivated by race, color, religion, national origin, ancestry, sex, or age;
- (4) Allows the Commission on Human Rights to assess a civil penalty of up to \$3,000, increased from \$2,000, if the respondent has not been convicted of a violation in the preceding five years; a civil penalty of up to \$7,000, increased from \$5,000, if the respondent has been convicted of a violation in the preceding five years; and a civil penalty of up to \$15,000, increased from \$10,000, if the respondent has been convicted of two or more violations in the preceding seven years;
- (5) Prohibits courts from awarding punitive damages to the plaintiff if the defendant is a state governmental agency or corporation, including public school districts and political subdivisions; and
- (6) Rejects and abrogates the holdings in *Daugherty v. City of Maryland Heights*, 231 S.W.3d 814 (Mo. 2007), *Cooper v. Albacore Holdings, Inc.*, 204 S.W.3d 238 (Mo.App. E.D. 2006), and *McBryde v. Ritenour School District*, 207 S.W.3d 162 (Mo.App. E.D. 2006), and all cases citing, interpreting, applying, or following these cases as they pertain to the discrimination standard, unlawful employment practices, and unlawful discriminatory practices in Section 213.070, RSMo.

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 State Courts Administrator
Department of Conservation
Department of Economic Development
Department of Labor and Industrial Relations
Department of Insurance, Financial Institutions and Professional Registration
Office of the Attorney General
Missouri Department of Transportation
Office of Administration

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
May 1, 2008