

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4371-01
Bill No.: SB 547
Subject: Employees- Employers; Labor and Management
Type: Original
Date: January 12, 2012

Bill Summary: This proposal bars employers from requiring employees to engage in or cease engaging in certain labor practices.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration** assume they are responsible for maintaining the State's nine labor contracts which cover eleven bargaining units, as well as assisting agencies with union contract negotiations, union-related activities, and other union-related inquiries. This includes ensuring agencies comply with applicable statutes while assisting in these responsibilities.

Section 290.590.2 of the proposed legislation would prohibit all state agencies and political subdivisions that currently have or could have employees covered under a labor organization as defined by the legislation from requiring their employees to pay any dues, fees, assessments, or other similar charges however denominated of any kind or amount as a condition or continuation of employment. The Office of Administration would have to ensure this provision is complied with during all future negotiations. Section 290.590.7(5) would exempt any such agreement entered into before the effective date of this legislation.

Section 33.103, RSMo allows for the Commissioner of Administration to deduct from employee paychecks qualified state tuition contributions, payments to the State owed by an employee, charitable campaign contributions, cafeteria plan, etc. The Office of Administration may be considered a "labor organization" as defined in this legislation. Therefore, Section 290.590.2(2) may prohibit such deductions.

Officials at the **Office of Attorney General** assume this proposal gives AGO non-discretionary concurrent jurisdiction to prosecuting attorneys and the AGO to investigate complaints of violations, including class C misdemeanors and civil damages, and to use "all means at their command" to ensure effective enforcement. The number of any violations would be unknown. Therefore costs to AGO are unknown but could exceed \$100,000. If significant cases result from the proposal, AGO may seek an additional future appropriation to effectively enforce it.

Officials at the **Office of Prosecution Services (OPS)** assume no measurable impact to OPS. The creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional costs which are difficult to determine.

Officials at the **Administrative Hearing Commission, Budget and Planning, City of Kansas City, Department of Agriculture, Department of Conservation, Department of Corrections, Department of Economic Development, Department of Health and Senior Services, Department of Higher Education, Department of Labor and Industrial Relations, Department of Mental Health, Department of Natural Resources, Department of Revenue,**

ASSUMPTION (continued)

Department of Social Services, Fire Safety, Joint Committee on Administrative Rules, Joint Committee on Public Employee Retirement, Linn State Technical College, Missouri Consolidated Health Care Plan, Missouri Department of Transportation, Missouri Ethics Commission, Missouri Gaming Commission, Missouri Highway Patrol, Missouri House of Representatives, Missouri Lottery, Missouri Senate, Missouri Southern State University, Missouri State University, Missouri Veterans Commission, Missouri Western State University, MoDOT and Patrol Employees' Retirement System, Northwest Missouri State University, Office of the Governor, Office of Prosecution Services, Office of the Secretary of State, Office of the State Auditor, Office of State Courts Administrator, Office of the State Public Defender, Office of State Treasurer, Parkway School District, St. Louis County, State Tax Commission, University of Central Missouri and the University of Missouri assume that there is no fiscal impact from this proposal.

Officials at the **Department of Elementary and Secondary Education** assume there is no state cost to the foundation formula associated with this proposal. Should the new crimes and amendments to current law result in additional fines or penalties, DESE cannot know how much additional money might be collected by local governments or the DOR to distribute to schools. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to schools increases the deduction in the foundation formula the following year. Therefore the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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

The proposed legislation appears to have no fiscal impact.

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

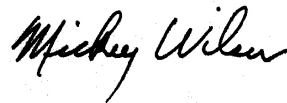
SOURCES OF INFORMATION

Administrative Hearing Commission
Budget and Planning
City of Kansas City
Department of Agriculture
Department of Conservation
Department of Corrections
Department of Economic Development
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Higher Education
Department of Labor and Industrial Relations
Department of Mental Health
Department of Natural Resources
Department of Revenue
Department of Social Services
Fire Safety
Joint Committee on Administrative Rules
Joint Committee on Public Employee Retirement
Linn State Technical College
Missouri Consolidated Health Care Plan
Missouri Department of Transportation
Missouri Ethics Commission
Missouri Gaming Commission
Missouri Highway Patrol
Missouri House of Representatives
Missouri Lottery
Missouri Senate

JH:LR:OD

SOURCES OF INFORMATION (continued)

Missouri Southern State University
Missouri State University
Missouri Veterans Commission
Missouri Western State University
MoDOT and Patrol Employees' Retirement System
Northwest Missouri State University
Office of Administration
Office of Attorney General
Office of the Governor
Office of Prosecution Services
Office of the Secretary of State
Office of the State Auditor
Office of State Courts Administrator
Office of the State Public Defender
Office of State Treasurer
Parkway School District
St. Louis County
State Tax Commission
University of Central Missouri
University of Missouri



Mickey Wilson, CPA
Director
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