

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4059-02  
Bill No.: HCS for HB 1153  
Subject: Credit and Bankruptcy; Employees - Employers  
Type: Original  
Date: March 5, 2014

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Bill Summary: This proposal would prohibit an employer from using a job applicant's personal credit history as a hiring criterion except where the credit history is shown to be directly related to the position sought by the applicant.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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 2015	FY 2016	FY 2017
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Office of the Secretary of State (SOS)** assume 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 Secretary of State's Office for Administrative Rules is less than \$2,500. 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 **Joint Committee on Administrative Rules** assume this proposal would not have a fiscal impact to their organization in excess of existing resources.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume this proposal would implement a complaint system that would be administered by DOLIR. Upon receipt of a complaint, DOLIR would be required to conduct an investigation and issue findings as a result of the investigation. In addition, DOLIR would be required to hold a hearing to determine if a violation has occurred if the situation so warrants. DOLIR officials assume the complaint procedure, investigation requirement, and hearing requirement could require many additional man hours, and in all probability, more personnel depending on the number of complaints filed.

DOLIR officials provided an estimate of fiscal impact of less than \$100,000 per year for this proposal.

**Oversight** has no information as to the number of complaints that might be received by DOLIR if this proposal is implemented nor the amount of time and other resources that would be required to investigate those complaints and conduct hearings if warranted. Oversight will include the DOLIR cost estimate in this fiscal note.

ASSUMPTION (continued)

Officials from **Linn State Technical College, Missouri State University, Missouri Western Sate University, Northwest Missouri State University, the City of Kansas City, St. Louis County, and the St. Louis County Directors of Elections** assume the proposal would have no fiscal impact on their organizations.

Officials from the **Office of Administration - Division of Personnel, the Department of Conservation, the Department of Labor and Industrial Relations, the Department of Transportation, Lincoln University, Missouri Southern Sate University, the University of Central Missouri, the City of Columbia, and the Francis Howell School District** assumed a previous version of the proposal would have no fiscal impact on their organizations.

Not responding

Officials from the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to our request for information.

Officials from the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to our request for information.

Officials from the following school districts: Blue Springs, Branson, Charleston R-I, Cole R-I, Columbia, Fair Grove, Fulton, Harrison R-IX, Independence, Jefferson City, Johnson County R-7, Kansas City, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Nixa, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Special School District of St. Louis County, Spickard, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and Waynesville did not respond to our request for information.

ASSUMPTION (continued)

Officials from the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Kansas City Metro Community College, Moberly Area Community College, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College, Truman State University the University of Missouri did not respond to our request for information.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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**GENERAL REVENUE FUND**

<u>Cost - DOLIR</u>			
Complaint review and hearings	(Less than	(Less than	(Less than
Section 290.146	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b>(Less than <u>\$100,000)</u></b>	<b>(Less than <u>\$100,000)</u></b>	<b>(Less than <u>\$100,000)</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

This proposal could have a direct impact to a small business which would be required to respond to a complaint.

FISCAL DESCRIPTION

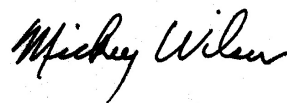
This proposal would prohibit an employer from using a job applicant's personal credit history as a hiring criterion except where the credit history is shown to be directly related to the position sought by the applicant.

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

SAS:LR:OD

SOURCES OF INFORMATION

Office of the Secretary of State  
Joint Committee on Administrative Rules  
Office of Administration  
    Division of Personnel  
Department of Conservation  
Department of Labor and Industrial Relations  
Department of Transportation  
Lincoln University  
Linn State Technical College  
Missouri Southern State University  
Missouri State University  
Missouri Western State University  
Northwest Missouri State University  
University of Central Missouri  
City of Columbia  
City of Kansas City  
Francis Howell School District



Mickey Wilson, CPA  
Director  
March 5, 2014

Ross Strobe  
Assistant Director  
March 5, 2014