

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0154-01
Bill No.: HB 42
Subject: Labor and Management; Employees - Employers
Type: Original
Date: December 29, 2016

Bill Summary: This proposal specifies that a person cannot be required to become or refrain from becoming a member of or paying dues to a labor organization as a condition or continuation of employment.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
Total Estimated Net Effect on General Revenue	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

- ☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Attorney General's Office (AGO)** assume this proposal would have an unknown cost to their organization that could excess of \$100,000. If significant cases result from the proposal, AGO may seek an additional future appropriation to effectively enforce it.

This proposal gives non-discretionary concurrent jurisdiction to prosecuting attorneys and the AGO to investigate complaints of violations, and to use "all means at their command" to ensure effective enforcement. The number of violations would be unknown.

Oversight will show a fiscal impact to AGO that could exceed \$100,000.

Officials at the **Office of Prosecution Services** assume this proposal would not have a measurable fiscal impact to their organization and note, that 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.

Oversight will not show a fiscal impact to local governments due to potential increased costs to county prosecutors.

Officials at the **Department of Public Safety - Capitol Police** and **Department of Corrections** each defer to the Office of Administration for fiscal impact.

Officials at the **Office of Administration - Administrative Hearing Commission, Office of Administration - Budget and Planning, Office of Administration - Personnel, Department of Agriculture, Department of Conservation, Department of Economic Development, Department of Elementary and Secondary Education, Missouri Ethics Commission, Governor's Office, Department of Health and Senior Services, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Joint Committee on Administrative Rules, Department of Labor and Industrial Relations, Missouri Lottery, Office of Lieutenant Governor, Department of Mental Health, Missouri Consolidated Health Care Plan, Department of Natural Resources, Department of Transportation, State Highway Employees Retirement System, Missouri State Employees' Retirement System, State Auditor's Office, State Public Defender's Office, Department of Public Safety - Office of Director, Department of Public Safety - Alcohol and Tobacco Control, Department of Public Safety - Gaming Commission, Department of Public Safety - Highway Patrol, Department of Public Safety - State Emergency Management Agency, Missouri Public Service Commission, Missouri Department of Revenue, Missouri Senate, State Tax Commission, Office of Secretary of State, Department of Social Services, and State Treasurer's Office** each assume this proposal would not have a fiscal impact on their respective organizations.

ASSUMPTION (continued)

Officials at the cities of **Kansas City, Excelsior Springs, and O’Fallon** each assume this proposal would not have a fiscal impact on their respective organizations.

Officials at the counties of **Callaway, Cape Girardeau, and St. Louis** each assume this proposal would not have a fiscal impact on their respective organizations.

Officials at the school districts of **Bakersfield R-IV, Bowling Green R-I, Bronaugh R-VII, Concordia R-II, Eldon R-I, Forsyth R-III, Grain Valley R-V, Kansas City, Malta Bend, Middle Grove C-I, Pettis County R-XII, St. Elizabeth R-IV, Seymour R-II, Special School District of St. Louis County, Warren County R-III, Wentzville R-IV, West Plains R-VII, and Wright City R-II** each assume this proposal would not have a fiscal impact on their respective organizations.

Officials at the **Missouri State University, Missouri Western University, Northwest Missouri University, State Technical College of Missouri, Truman State University, St. Charles Community College, and University of Central Missouri** each assume this proposal would not have a fiscal impact on their respective organizations.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Des Peres, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, Pacific, Peculiar, Pineville, 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 **Oversight’s** request for fiscal impact.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Camden, Carroll, Cass, Christian, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Mississippi, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, Shelby, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight’s** request for fiscal impact.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Lincoln University, Metropolitan Community College, Moberly Area Community College, Missouri Southern State University, Southeast Missouri State University, State Fair Community College, St. Louis Community College, Three Rivers Community College, and the University of Missouri did not respond to **Oversight’s** request for fiscal impact.

ASSUMPTION (continued)

Officials at the following school districts: Arcadia Valley R-2, Aurora R-8, Avilla R-13, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Branson, Brentwood, Campbell R-2, Carrollton R-7, Caruthersville, Cassville R-4, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, East Newton R-6, Everton R-III, Fair Grove, Fair Play, Fayette R-3, Fox C-6, Fredericktown R-I, Fulton, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kearney R-1, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, Kirksville, Laclede County R-1, Laredo R-7, Lee Summit, Leeton R-10, Lewis County C-1, Lindbergh, Lonedell R-14, Macon County R-1, Macon County R-4, Mehlville, Mexico, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County R-II, Osborn R-O, Parkway, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Richland R-1, Riverview Gardens, Salisbury R-4, Sarcoux R-2, Scotland County R-I, Sedalia, Shelby County R-4, Shell Knob #78, Sikeston, Silex, Slater, Smithville R-2, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, Sullivan, Tipton R-6, Valley R-6, Verona R-7, Warrensburg R-6, Webster Groves, and Westview C-6 did not respond to **Oversight's** request for fiscal impact.

FISCAL IMPACT - State Government

FY 2018
(10 Mo.)

FY 2019

FY 2020

GENERAL REVENUE

Costs - Attorney General's Office - Increase
in number of investigations and complaints

(Could exceed
\$100,000)

(Could exceed
\$100,000)

(Could exceed
\$100,000)

**ESTIMATED NET EFFECT TO
GENERAL REVENUE**

(Could exceed
\$100,000)

(Could exceed
\$100,000)

(Could exceed
\$100,000)

FISCAL IMPACT - Local Government

FY 2018
(10 Mo.)

FY 2019

FY 2020

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small businesses may experience an impact for failure to comply with requirements of this proposal.

FISCAL DESCRIPTION

This bill specifies that a person as a condition or continuation of employment cannot be required to:

- (1) Become or refrain from becoming a member of a labor organization as defined in the bill;
- (2) Pay dues, fees, assessments, or other charges to a labor organization; or
- (3) Pay to any charity or third party any equivalent amount in lieu of dues, fees, assessments, or other charges required by a labor organization.

Any agreement, understanding, or practice between a labor organization and an employer that violates the rights of employees as specified in the bill will be unlawful, null and void, and of no legal effect.

Anyone violating a provision of the bill will be guilty of a class C misdemeanor, and any person injured as a result of a violation or threatened violation of the provisions of the bill may recover all resulting damages, including costs and reasonable attorney fees, and will be entitled to injunctive relief against any violator or person threatening a violation. Certain specified employers, employees, and agreements are exempt from the provisions of the bill.

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

Attorney General's Office
Office of Prosecution Services
Department of Public Safety - Office of Director
Department of Public Safety - Capitol Police
Office of Administration - Administrative Hearing Commission
Office of Administration - Budget and Planning
Office of Administration - Personnel
Office of Secretary of State
Department of Agriculture
Department of Conservation
Department of Corrections
Department of Economic Development
Department of Elementary and Secondary Education
Missouri Ethics Commission
Governor's Office
Department of Health and Senior Services
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Department of Natural Resources
Department of Social Services
Joint Committee on Administrative Rules

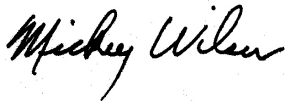
SOURCES OF INFORMATION (continued)

Missouri Lottery
Office of Lieutenant Governor
Department of Mental Health
Missouri Consolidated Health Care Plan
Department of Transportation
State Highway Employees Retirement System
Missouri State Employees' Retirement System
State Auditor's Office
State Public Defender's Office
Department of Public Safety
Department of Public Safety - Alcohol and Tobacco Control
Department of Public Safety - Gaming Commission
Department of Public Safety - Highway Patrol
Department of Public Safety - State Emergency Management Agency
Missouri Public Service Commission
Missouri Department of Revenue
Missouri Senate
State Tax Commission
State Treasurer's Office
Cities of:
 Kansas City
 Excelsior Springs
 O'Fallon
Counties of:
 Callaway
 Cape
 St. Louis
Missouri State University
Missouri Western University
Northwest Missouri University
Missouri State Technical College
Truman State University
St. Charles Community College
University of Central Missouri
School Districts of:
 Bakersfield R-IV
 Bowling Green R-I
 Bronaugh R-VII
 Concordia R-II
 Eldon R-I

SOURCES OF INFORMATION (continued)

School Districts of:

Forsyth R-III
Grain Valley R-V
Kansas City
Malta Bend
Middle Grove C-I
Pettis County R-XII
St. Elizabeth R-IV
Seymour R-II
Special School District of St. Louis
Warren County R-III
Wentzville R-IV
West Plains R-VII
Wright City R-II



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December 29, 2016

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