

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2083H.01I
Bill No.: HB 931
Subject: Employees - Employers; Labor and Management; Business and Commerce
Type: Original
Date: March 5, 2021

Bill Summary: This proposal relates to employer-employee relationships.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Labor and Industrial Relations, Office of the Secretary of State, and Joint Committee on Administrative Rules** each assume this proposal would not have a direct fiscal impact on their respective organizations.

Oversight notes that 16 CFR 436.1. (k) denotes [that] “Franchisor means any person who grants a franchise and participates in the franchise relationship. Unless otherwise stated, it includes sub franchisors. For purposes of this definition, a “sub franchisor” means a person who functions as a franchisor by engaging in both pre-sale activities and post-sale performance.”

The proposal suggests that neither a franchisee nor a franchisee's employees shall be considered employees of a franchisor for any purpose unless the franchisor exercises direct and immediate control over the hiring, termination, discipline, and direction of the employees of a franchisee.

Officials from the above organizations assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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.

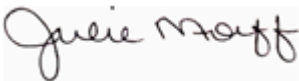
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

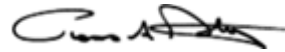
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Office of the Secretary of State
Joint Committee on Administrative Rules

A handwritten signature in black ink, appearing to read "Julie Morff", is written over a light pink rectangular background.

Julie Morff
Director
March 5, 2021

A handwritten signature in black ink, appearing to read "Ross Strobe", is written in a cursive style.

Ross Strobe
Assistant Director
March 5, 2021