

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1616H.04C
Bill No.: HCS for HB Nos. 567, 546, 758, & 958
Subject: Employees - Employers; Labor and Management; Department of Labor and Industrial Relations; Salaries
Type: Original
Date: March 5, 2025

Bill Summary: This proposal delays the implementation and accrual date of paid sick leave for certain employees.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

Oversight assumes AGO is provided with core funding to handle a certain amount of activity each year. Oversight assumes AGO could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, AGO could request funding through the appropriation process.

Officials from the **Department of Economic Development, the Department of Elementary and Secondary Education, the Department of Higher Education and Workforce Development, the Department of Natural Resources, the Department of Corrections, the Department of Labor and Industrial Relations, the Department of Revenue, the Department of Public Safety (Office of the Director, Capitol Police, Alcohol & Tobacco Control, Fire Safety, Gaming Commission, Missouri Highway Patrol, State Emergency Management Agency and Veterans Commission), the Missouri National Guard, the Department of Social Services, the Office of the Governor, the Joint Committee on Administrative Rules, the Joint Committee on Public Employee Retirement, the Joint Committee on Education, the Missouri Lottery Commission, the Missouri Consolidated Health Care Plan, the Department of Agriculture, the Missouri Department of Conservation, the Missouri Ethics Commission, the Missouri House of Representatives, the Department of Transportation, the Office of Prosecution Services, the Office of Administration (Administrative Hearing Commission and Budget and Planning), the Office of the State Courts Administrator, the Office of the State Auditor, the Missouri Senate, the Office of the Secretary of State, the Office of the State Public Defender, the Office of the State Treasurer and the State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations for this proposal.

Officials from the **Office of Administration (OA)** 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.

Officials from the **Department of Commerce and Insurance, the Department of Mental Health, the Department of Health and Senior Services, the Department of Corrections, and the Department of Social Services** each defer to the OA for the potential fiscal impact of this proposal.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight, for informational purposes, provides some statistics on Business by Size in Missouri, based on calendar year 2022:

Employee(s)	Number of Businesses
1 to 4	145,490
5 to 9	28,362
10 to 19	21,336
20 to 49	14,699
50 to 99	4,642
100 to 249	2,319
250 tp 499	662
500 to 999	202
1000 and more	106
Total w/ more than 10	43,966

<https://meric.mo.gov/media/pdf/mo-businesses-size>

Oversight notes the proposal delays the enactment of certain benefits for employers with more than 15 employees.

Oversight notes that **City of Kansas City** and the **City of O’Fallon** both 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.

Oversight, for informational purpose, notes that in November 2024, the initiative (Prop A) increased the minimum wage to \$13.75 per hour in 2025 and to \$15 per hour in 2026. Additionally, the initiative required businesses with 15 or fewer employees to provide at least five paid sick days per year, while those with more than 15 employees had to offer at least seven paid sick days annually.

Oversight notes that earned sick time began to accrue at the commencement of employment or on May 1, 2024, whichever was later.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

A direct fiscal impact to some small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

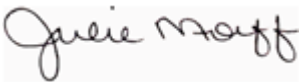
The proposed legislation appears to have no direct fiscal impact.

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

Attorney General's Office
 Department of Commerce and Insurance
 Department of Economic Development
 Department of Elementary and Secondary Education
 Department of Higher Education and Workforce Development
 Department of Health and Senior Services
 Department of Mental Health
 Department of Natural Resources
 Department of Corrections
 Department of Labor and Industrial Relations
 Department of Revenue
 Department of Public Safety
 Office of the Director
 Division of Alcohol and Tobacco Control
 Capitol Police
 Fire Safety
 Missouri Gaming Commission
 Missouri Highway Patrol
 State Emergency Management Agency
 Missouri Veterans Commission
 Missouri National Guard
 Department of Social Services
 Office of the Governor
 Joint Committee on Public Employee Retirement
 Joint Committee on Administrative Rules

Missouri Lottery Commission
Legislative Research
Oversight Division
Missouri Consolidated Health Care Plan
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri House of Representatives
Office of the Lieutenant Governor
Missouri Department of Transportation
Missouri State Employee's Retirement System
MoDOT & Patrol Employees' Retirement System
Missouri Office of Prosecution Services
Office of Administration
 Administrative Hearing Commission
 Budget and Planning
 Facilities Management, Design and Construction
Office of the State Courts Administrator
Office of the State Auditor
Missouri Senate
Office of the Secretary of State
Office of the State Public Defender
Office of the State Treasurer
State Tax Commission
City of Kansas City
City of O'Fallon



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March 5, 2025



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