

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3282-02
Bill No.: SB 610
Subject: Labor and Industrial Relations Department, Labor and Management,
 Employees-Employers, Employment Security
Type: Original
Date: December 21, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	More than \$286,560	More than \$363,872	More than \$363,872
Total Estimated Net Effect on General Revenue Fund	More than \$286,560	More than \$363,872	More than \$363,872

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration** (OA) stated, based on 11/30/05 semi-monthly payroll, there were 4,832 union dues deductions to certified bargaining representatives totaling \$45,810.81. The bill calls for \$8/month or 2%, whichever is greater to be paid to the state from the dues withheld. A deduction of \$4.00 per semi-monthly paycheck would total \$19,328 or \$463,872 per year.

Officials from the **Department of Labor and Industrial Relations** assume the Labor and Industrial Relations Commission (Commission) would be required to maintain copies of public employee labor organization reports related to contributions and expenditures. The Commission would require additional storage space, staff time and possibly new scanning equipment to maintain these reports. The Commission is unable to estimate the amount of staff time needed because the amount of information submitted by the labor organizations is unknown. However, the Commission estimates the fiscal impact to be under \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
GENERAL REVENUE FUND			
Revenue - Office of Administration Processing charges	\$386,560	\$463,872	\$463,872
Cost - Department of Labor Review, filing, and storage	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>More than \$286,560</u>	<u>More than \$363,872</u>	<u>More than \$363,872</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2007 (10 Mo.)	 FY 2008	 FY 2009
	<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.

DESCRIPTION

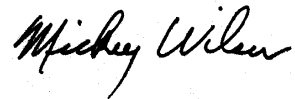
This proposal would require a specific employee authorization for public employee labor unions to withhold fees from paychecks. It would impose a fee on withheld funds based on the greater of eight dollars or two percent of the amount authorized by the employee for deduction, to be retained by the Office of Administration. In addition, it would require public employee labor organizations to maintain records of fees authorized and withheld, and transferred to committees, and to send copies of those records to the Labor and Industrial Relations Commission.

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

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SOURCES OF INFORMATION

Office of Administration
Department of Labor and Industrial Relations

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA
Director
December 21, 2005