

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3366-01
Bill No.: SB 927
Subject: Contracts and Contractors; Employees–Employers; Immigration; Labor and Management
Type: Original
Date: March 3, 2008

Bill Summary: The proposal amends the law regarding the hiring of unqualified employees on public projects.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration – Division of Personnel, – Administrative Hearing Commission, Department of Economic Development, Department of Transportation, Department of Labor and Industrial Relations, Department of Conservation, St. Louis County, City of Centralia, City of Kansas City, and the City of West Plains** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of the Attorney General** assume any potential costs arising from this proposal can be absorbed within existing resources.

Officials from the **Office of Administration – Division of Purchasing and Materials Management (DPMM)** assume they will have to add language to the bid solicitation document informing bidders that any violators of the bill section shall be fined fifty dollars per individual unauthorized alien per day during which each individual unauthorized alien was employed or subcontracted with and the violator will not be eligible to bid on any publicly financed project for ten years immediately following the last violation. Also, the DPMM would have to withhold and retain all amounts due and owed due to the violation of subsection 1 provision.

Oversight assumes Office of Administration – Division of Purchasing and Materials Management can absorb any costs incurred as a result of the proposal within existing resources.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there is no state cost to the foundation formula associated with this proposal. Should the new crimes and amendments to current law result in additional fines or penalties, DESE cannot know how much additional money might be collected by local governments or the DOR to distribute to schools. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to schools increases the deduction in the foundation formula the following year. Therefore, the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

ASSUMPTION (continued)

Oversight assumes any increase or decrease in fine or penalty revenues generated cannot be determined. Therefore, the fiscal note does not reflect any change in fine or penalty revenues for the local school districts.

Officials from **Clinton County** assume they will incur increased clerical costs for background checks. Officials did not provide an estimate of the costs.

Oversight assumes Clinton County can absorb any increase in clerical costs within existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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 fiscal impact.

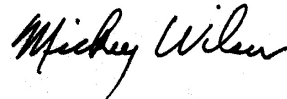
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Office of Administration

- Division of Personnel
- Division of Purchasing and Materials Management
- Administrative Hearing Commission

Department of Economic Development
Department of Elementary and Secondary Education
Department of Transportation
Department of Labor and Industrial Relations
Department of Conservation
Clinton County
St. Louis County
City of Centralia
City of Kansas City
City of West Plains



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Director
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