

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0649-01
Bill No.: SB 127
Subject: Employees - Employers; Labor and Management
Type: Original
Date: February 3, 2015

Bill Summary: This proposal bars employers from requiring employees to engage in or cease engaging in certain labor practices.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation**, the **Joint Committee on Administrative Rules**, the **Department of Public Safety - Missouri National Guard**, the **Office of Administration - Division of Personnel**, the **Department of Social Services**, the **Department of Labor and Industrial Relations**, the **Missouri Department of Conservation**, the **Platte County Board of Elections**, the **St. Louis County Director of Elections**, the **St. Louis County**, the **City of Jefferson**, the **City of Kansas City** and the **City of Independence** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Department of Health and Senior Services**, the **Department of Corrections**, the **Department of Public Safety - State Emergency Management Agency** and the **Missouri Highway Patrol** and the **Department of Mental Health** each defer to the Office of Administration to estimate the fiscal impact of the proposed legislation on their respective organization.

Officials from the **Office of Administration - General Services Division (OA)** assume the proposed legislation would invalidate any requirement that employees join or refrain from joining a labor organization as a condition of employment and would prohibit any required payment of dues, assessments or similar fees to a labor organization or equivalent payments to third parties. Any person who is injured as a result of any violation or threatened violation of this law shall be entitled to injunctive against any and all violators or persons threatening violations and may recover any and all damages including costs and reasonable attorney fees.

The state Self-assumes its own liability under the state Legal Expense Fund, Section 105.711 RSMo. It is a self-funding mechanism whereby funds are made available for the payment of any claim or judgment rendered against the state in regard to the waivers of sovereign immunity or against employees and specified and individuals. Investigation, defense, negotiation or settlement of such claims is provided by the Office of the Attorney General. Payment is made by the Commissioner of Administration with the approval of the Attorney General.

If a claim were successfully brought against a state agency or a state employee alleging a violation of this proposal, the Legal Expense Fund could be required to pay such claim or claims.

ASSUMPTION (continued)

OA assumes that neither any state agency nor any state employee would violate the proposal. Therefore, it is assumed that no successful claims will be made against the Legal Expense Fund and the proposal would thus have no fiscal impact upon the Office of Administration-General Services. However, should that assumption prove incorrect, significant costs could be incurred by the Legal Expense Fund.

Officials from the **Attorney General's Office (AGO)** assume the proposal requires both the AGO and local prosecuting attorneys to investigate complaints of violations, including class C misdemeanors and civil damages, and to use "all means at their command" to ensure effective enforcement. The number of any reported or suspected violations would be unknown. Therefore, costs to AGO are unknown but could exceed \$100,000. If significant cases result from the proposal, AGO may seek an additional future appropriation.

Oversight assumes the State could absorb any impact caused by this proposal with existing resources. Additionally, the volume of new litigation is not known, therefore, Oversight assumes appropriation requests, if any, will be based on workload measures of affected agencies and not as a direct result of this proposal.

Officials at the **Office of the Secretary of State (SOS)** assume each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the Governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, sub-section 115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.1 million based on the cost of the 2012 Presidential Preference Primary. This figure was determined through analyzing and totaling expense reports from the 2012 Presidential Preference Primary received from local election authorities.

The SOS is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and sections 116.230-116.290, RSMo. The Secretary of State's Office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session.

ASSUMPTION (continued)

Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements.

The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue).

Therefore, the Secretary of State's Office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of our appropriation.

Oversight assumes the proposal will have no fiscal impact to state or local governments. This legislation would be submitted to the qualified voters of this state for approval or rejection in August 2016, or any other successor primary election date in 2016. Therefore, not permitting an allowance for a special election called by the Governor.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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.

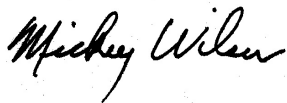
FISCAL DESCRIPTION

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
Office of Administration
Department of Transportation
Missouri Department of Conservation
Joint Committee on Administrative Rules
Department of Health and Senior Services
Department of Social Services
Department of Corrections
Department of Public Safety
Attorney General's Office
Department of Mental Health



Mickey Wilson, CPA
Director
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Ross Strobe
Assistant Director
February 3, 2015