

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4140S.01I
Bill No.: SB 728
Subject: Employees-Employers; Political Subdivisions; State Departments
Type: Original
Date: March 29, 2022

Bill Summary: This proposal modifies provisions relating to the authorization of the deduction of moneys from the paychecks of public employees for the benefit of public labor organizations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
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 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
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 2023	FY 2024	FY 2025
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Labor and Industrial Relations (DOLIR)** note:

It is assumed that the State Board of Mediation can absorb the costs of this bill with current resources. However, if the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process. Furthermore, it is assumed that fines would be minimal if not nonexistent.

Oversight notes that the DOLIR has stated the proposal would not have a direct fiscal impact on their organization and any potential cost could be absorbed through current appropriation.

Oversight notes that violations of section 105.505 could result in fines or penalties. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties collected by counties are distributed to school districts. Fine varies widely from year to year and are distributed to the school district where the violation occurred. Oversight will reflect a positive fiscal impact of \$0 to Unknown to local school districts. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

Officials from the **Office of Administration, Office of the Administration – Administrative Hearing Commission, Department of Economic Development, Missouri Department of Conservation, and the Missouri Department of Transportation** each 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 **University of Missouri System and Missouri State University** both assume the proposal will have no significant 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 **Missouri of Central Missouri** assume the proposal would have a minimal indeterminate fiscal impact on their respective organization.

Oversight notes the above organizations indicated this proposal would have a minimal negative impact on their respective organization. Oversight will assume that the University is able to absorb the cost from the proposal and reflect zero cost on the fiscal note for the University.

Officials from the **City of Kansas City, the City of O’Fallon, the City of Springfield, and the Green County Clerk Office** each 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 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> – Section 105.505.14 Fine(s) collection - Local School Districts (p.3)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
NET ESTIMATED EFFECT ON THE LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act establishes the "Public Employee Janus Rights Act," permitting a public body to withhold fees from public employee paychecks for the purpose of paying any portion of labor organization dues, agency shop fees, or any other fees paid to a labor organization only with the written, informed consent of the public employee. The act also requires the public employee's written, informed consent for labor organizations to use such fees or dues for political purposes. Any authorization required by this act may be in written or electronic form. Any authorization must be submitted to the public body employer before such fees may be withheld. Furthermore, the employer shall require clear and compelling evidence that the authorization was freely given. Any consent given by an employee may be revoked at any time. Failure to comply with these requirements on the part of an employer shall result in a fine of no more than \$500 per violation.

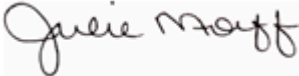
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

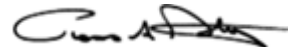
Department of Labor and Industrial Relations
 Office of Administration

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Office of the Administration – Administrative Hearing Commission
Department of Economic Development
Missouri Department of Conservation
Missouri Department of Transportation
University of Missouri System
Missouri State University
University of Central Missouri
City of Kansas City
City of O’Fallon
City of Springfield
Green County Clerk Office



Julie Morff
Director
March 29, 2022



Ross Strobe
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March 29, 2022