

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0923S.04C
 Bill No.: SCS for SB 175
 Subject: Children and Minors; Employees - Employers
 Type: Original
 Date: April 3, 2023

Bill Summary: This proposal modifies provisions relating to youth employment.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Child Labor Enforcement Fund (0826)	Less than (\$28,575)	Less than (\$28,575)	Less than (\$28,575)
Total Estimated Net Effect on <u>Other</u> State Funds	Less than (\$28,575)	Less than (\$28,575)	Less than (\$28,575)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume the youth work permits from statute, fines going to the Youth Labor Enforcement Fund may be impacted by unknown amount, \$0 to \$30,000. FY22 fines were \$28,575.

Oversight notes currently an employer must keep and maintain their certificate (for minimum of two years) for any child, less than 16 years old, who is in his or her employ in the entertainment industry. This proposal removes the age requirement from Chapter 294, RSMo, and allows the employer to accept an issuance of a work certificate as evidence of age of the child.

Oversight notes the following receipts were made in to the Child Labor Enforcement fund (0826) in the past four years:

Fiscal Year	Amount Collected
FY 2022	\$28,575
FY 2021	\$10,752
FY 2020	\$14,675
FY 2019	\$3,350

Officials from the **Department of Revenue (DOR)** defer to the DOLIR for the potential fiscal impact of this proposal.

Officials from the **Office of Administration – Budget & Planning** assume that to the extent changes in the work permitting process impact related fines and such fines are deposited in the state treasury, TSR may be impacted.

Officials from the **Department of Commerce and Insurance, the Department of Economic Development, the Department of Elementary and Secondary Education, the Department of Higher Education and Workforce Development, the Department of Health and Senior Services, the Department of Mental Health, the Department of Natural Resources, the Department of Corrections, the Department of Public Safety (Office of the Director, Capitol Police, Alcohol & Tobacco Control, Fire Safety, Gaming Commission, Missouri Highway Patrol, Missouri National Guard, State Emergency Management Agency and Veterans Commission), the Department of Social Services, the Office of the Governor, the Joint Committee on Public Employee Retirement, 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 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, and the State Tax Commission each assume the proposal will have no fiscal impact on their respective organizations.

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 for these agencies.

Officials from the **City of Kansas City** and the **City of Springfield** both assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these cities.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. **The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs.** However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
CHILD LABOR ENFORCEMENT FUND (0826)			
<u>Decline in Revenue</u> – employer no longer allowed to require certificate for those below 18 year of age	<u>Less than (\$28,575)</u>	<u>Less than (\$28,575)</u>	<u>Less than (\$28,575)</u>
NET EFFECT ON THE CHILD LABOR ENFORCEMENT FUND (0826)	<u>Less than (\$28,575)</u>	<u>Less than (\$28,575)</u>	<u>Less than (\$28,575)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small home-based businesses could be impacted by this proposal.

FISCAL DESCRIPTION

This act repeals various provisions relating to youth work certificates. Two new provisions are created to provide that no department, agency, entity, or political subdivision of the state may require, by rule or practice, that a child under 18 years of age be issued a work certificate of employment or entertainment work permit as a condition of employment. Additionally, an employer shall not be required to obtain such a certificate or permit from a child under 18 years of age as a condition of employment. However, employers are required to receive signed permission slips from the parent, legal custodian, guardian, or designated guardian, in formats prescribed by the Department of Labor and Industrial Relations, in order to employ a child between 14 and 16 years of age who is otherwise eligible to be employed.

This act shall not be construed to authorize a child to be absent from school in violation of the requirements of state law or regulations or policies of the State Board of Education, the Missouri Department of Elementary and Secondary Education or a local school board. Additionally, nothing in this act shall be construed to preclude the Department of Labor and Industrial Relations from issuing a work certificate as evidence of age upon the request of a child who represents to be under 18 years of age or an employer who wishes to employ a child who represents to be under 18 years of age.

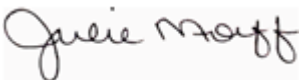
Additional new provisions are created, substantially replicating current law, regulating the manner in which a child may be employed in the entertainment industry, as that term is defined in the act.

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 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
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
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



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