

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0422-02
Bill No.: HCS for HB 309
Subject: Labor and Management; Political Subdivisions
Type: Original
Date: March 9, 2017

Bill Summary: This proposal exempts municipalities from the prevailing wage.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration - Budget and Planning** and **Department of Revenue** each assume this proposal will not have a fiscal impact on their respective organizations.

Officials at the **Department of Labor and Industrial Relations (DOLIR)** assume this proposal would not have a fiscal impact on their organization; however, in response to a previous version of this proposal (0422-01), DOLIR noted that clarification of the description of “revenues of the municipality,” could change DOLIR’s response.

In response to a previous version of this proposal, officials at the **City of Kansas City** assumed the proposal would not have a fiscal impact on their organization.

Officials at **Callaway** and **St. Louis County** assume this proposal will not have a fiscal impact on their organization.

Officials at the **Missouri State University**, the **Northwest Missouri State University**, the **University of Central Missouri**, and the **University of Missouri** each assume this proposal will not have a fiscal impact on their respective organizations.

Officials at the school district of **Bakersfield R-IV** assume this proposal could have a positive fiscal impact estimated at \$750,000.

Officials at the school district of **West Plains R-VII** assume this proposal could have a positive fiscal impact estimated up to \$150,000.

Officials at the school district of **East Carter R-II** assume this proposal could have a positive fiscal impact estimated at tens of thousands of dollars per year. And further stated, even hundreds of thousands of dollars may be saved on a year of significant building projects which may allow the district to upgrade or replace a WPA building used for elementary students.

Officials at the school district of **Fair Play** assume this proposal could have a positive fiscal impact to their organization, estimated it would save \$25,000 to \$50,000 in costs over the next five years. Also noted, would make a significant difference in making the decisions to do upgrades and additions to their school district.

Officials at the school district of **Republic R-III** assume this proposal could have a positive fiscal impact to their organization, if public schools are included and estimated at \$16,000 on one elementary roof remodel.

ASSUMPTION (continued)

Officials at the school district of **Milan C-II** assume this proposal could have a very positive fiscal impact to their organization. Noted in this response was the impact would be dependent on, *as long as the definition of “Public Works” is clear and understood.*

Oversight will not show an impact to local school districts because this proposal specifies in section 290.230.3; *“Any municipality may opt out of the provisions of this section for the construction of public works.”*

Missouri statute, section 67.287.1(2) defines; *“Municipality”, any city, town, or village located in any county with a charter form of government and with more than nine hundred fifty thousand inhabitants.*

Missouri statute, section 290.210(11) defines; *“Public Works” means all fixed works constructed for public use or benefit or paid for wholly or in part out of public funds.”*

Therefore, ambiguity exists as to whether this proposal as written and based on responses would impact school districts. **Oversight** will note that if school districts were impacted by this proposal, the fiscal impact would be positive and **could exceed \$1,000,000.**

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Des Peres, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O’Fallon, Pacific, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight’s** request for fiscal impact.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Mississippi, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, Shelby, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight’s** request for fiscal impact.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Lincoln University, Metropolitan Community College, Moberly Area Community College, Missouri Southern State University, Missouri Western State University, Southeast Missouri State University, State Fair Community College, State Technical College of Missouri, St. Charles Community College, St. Louis Community College, Three Rivers Community College, and the Truman State did not respond to **Oversight’s** request for fiscal impact.

ASSUMPTION (continued)

Officials at the following school districts: Arcadia Valley R-2, Aurora R-8, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Cassville R-4, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, East Newton R-6, Eldon R-I, Everton R-III, Fair Grove, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kansas City, Kearney R-1, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, Kirksville, Laclede County R-1, Laredo R-7, Lee Summit, Leeton R-10, Lewis County C-1, Lindbergh, Lonedell R-14, Macon County R-1, Macon County R-4, Malta Bend, Mehville, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County R-II, Osborn R-O, Parkway, Pattonville, Pettis County R-12, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Richland R-1, Riverview Gardens, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Sedalia, Seymour R-2, Shelby County R-4, Shell Knob #78, Sikeston, Silex, Slater, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Tipton R-6, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Webster Groves, West Plains R-VII, Westview C-6 and the Wright City R-2 School District did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<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.

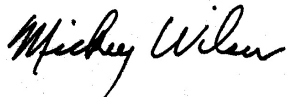
FISCAL DESCRIPTION

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

Office of Administration - Budget and Planning
Department of Revenue
Department of Labor and Industrial Relations
City of Kansas City
Callaway
St. Louis County
Missouri State University
Northwest Missouri State University
University of Central Missouri
University of Missouri
School Districts of:
Bakersfield R-IV
West Plains R-VII
East Carter R-II
Fair Play
Republic R-III
Milan C-II



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Director
March 9, 2017

Ross Strobe
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March 9, 2017