

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0619-01  
Bill No.: HB 265  
Subject: Labor and Management; Employees - Employers  
Type: Original  
Date: January 6, 2017

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Bill Summary: This proposal prohibits an employer from requiring a person to become a member of a labor organization as a condition or continuation of employment.

**FISCAL SUMMARY**

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

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

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 8 pages.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

In response to HB 91 from the 2017 session, officials at the **Office of Administration - General Services** *assumed 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.

§290.590 – This 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 relief 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.

Officials at the **Office of Administration - Personnel** assume this proposal would have no impact on their organization.

Officials at the **Department of Corrections, Department of Health and Senior Services, Department of Mental Health, and Department of Social Services** each defer to Office of Administration - Personnel for fiscal impact.

In response to HB 91 from the 2017 session, officials at the **Attorney General's Office** assumed that any potential costs arising from this proposal can be absorbed with existing resources.

ASSUMPTION (continued)

Officials at the **Office of Administration - Budget and Planning, Office of Administration - Administrative Hearing Commission, Department of Agriculture, State Auditor's Office, Department of Conservation, Department of Elementary and Secondary Education, Missouri Ethics Commission, Department of Public Safety - Gaming Commission, Governor's Office, Lieutenant Governor's Office, Missouri House of Representatives, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Joint Committee on Public Employee Retirement, Joint Committee on Administrative Rules, Department of Labor and Industrial Relations, Lottery Commission, Missouri Consolidated Health Care Plan, Missouri State Employees' Retirement System, Department of Natural Resources, State Public Defender's Office, Office of Prosecution Services, Department of Revenue, Missouri Senate, Office of Secretary of State, Office of State Courts Administrator, Missouri Tax Commission, State Treasurer's Office, Department of Transportation, Department of Public Safety - Capitol Police, Department of Public Safety - Fire Safety Division, Department of Public Safety - Missouri Veterans Commission, Department of Public Safety - Alcohol and Tobacco, Department of Public Safety - Highway Patrol, Department of Public Safety - State Emergency Management Agency, and Department of Public Safety - Director's Office** each assume this proposal will not have a fiscal impact on their respective organizations.

Officials at the **City of Columbia and City of Kansas City** each assume this proposal will not have a fiscal impact on their respective organizations.

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

Officials at the school districts of **Kansas City, Kearney R-I, Kirksville R-III, Pettis County R-XII, Parkway, West Plains R-VII, and Wright City R-II** each assume this proposal will not have a fiscal impact on their respective organizations.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, 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.

ASSUMPTION (continued)

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

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, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, 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, Pattonville, 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, and the Westview C-6 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.

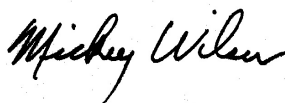
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Office of Administration - General Services  
Office of Administration - Personnel  
Department of Corrections  
Department of Health and Senior Services  
Department of Mental Health  
Department of Social Services  
Attorney General's Office  
Office of Administration - Budget and Planning  
Office of Administration - Administrative Hearing Commission  
Department of Agriculture  
State Auditor's Office  
Department of Conservation  
Department of Elementary and Secondary Education  
Missouri Ethics Commission  
Department of Public Safety - Gaming Commission  
Governor's Office  
Lieutenant Governor's Office  
Missouri House of Representatives  
Department of Higher Education  
Department of Insurance, Financial Institutions and Professional Registration  
Joint Committee on Public Employee Retirement  
Joint Committee on Administrative Rules  
Department of Labor and Industrial Relations  
Lottery Commission  
Missouri Consolidated Health Care Plan  
Missouri State Employees' Retirement System  
Department of Natural Resources  
State Public Defender's Office  
Office of Prosecution Services

SOURCES OF INFORMATION (continued)

Department of Revenue  
Missouri Senate  
Office of Secretary of State  
Office of State Courts Administrator  
Missouri Tax Commission  
State Treasurer's Office  
Department of Transportation  
Department of Public Safety - Capitol Police  
Department of Public Safety - Fire Safety Division  
Department of Public Safety - Missouri Veterans Commission  
Department of Public Safety - Alcohol and Tobacco  
Department of Public Safety - Highway Patrol  
Department of Public Safety - State Emergency Management Agency  
Department of Public Safety - Director's Office  
City of Columbia  
City of Kansas City  
Metropolitan Community College  
Missouri State University  
Missouri Western State University  
Northwest Missouri State University  
State Technical College of Missouri  
Truman State University  
University of Central Missouri  
University of Missouri  
School Districts of:  
    Kansas City  
    Kearney R-I  
    Kirksville R-III  
    Pettis County R-XII  
    Parkway  
    West Plains R-VII  
    Wright City R-II



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