

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0405-01
Bill No.: HB 105
Subject: Employees - Employers; Credit and Bankruptcy
Type: Original
Date: February 16, 2015

Bill Summary: This proposal prohibits an employer from using a job applicant's personal credit history as a hiring criteria except where the credit history is shown to be directly related to the position sought by the applicant.

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 5 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 **Office of the Secretary of State**, the **Department of Transportation**, the **Office of Administration - Division of Personnel**, the **Missouri Department of Conservation**, the **Joint Committee on Administrative Rules**, the **City of Columbia**, the **City of Kansas City**, **Missouri State University**, the **University of Missouri** and **Lincoln University** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume this proposal would prohibit employers from using personal credit history as an employment criteria unless the credit history is substantially related to the position sought by the applicant or held by the employee. The DOLIR shall receive and investigate complaints related to subsection 2 of Section 290.146, and within 30 days of the filing conduct an investigation and render its findings. If the findings warrant, the department shall hold a hearing.

Currently, there is no way to estimate the number of complaints DOLIR might receive. Investigations in other disciplines generally require 90 to 120 days in order to do proper diligence. This legislation sets forth a 30 day time frame to complete an investigation and render a finding. Even a limited number of complaints could result in a financial impact.

Since the investigation will result in a finding for the complaint, it is not clear to the department the purpose of a hearing and who would conduct those hearings. The costs involved with hearings would be cumulative based on the number of hearings which need to be held.

DOLIR assumes that it could absorb the costs associated with these complaints, if the number of complaints were very small. However, based on the short time frame to investigate and report a finding, even a limited number of complaints would require additional staff.

DOLIR assumes that one Investigator II could process complaints, conduct investigations, and render findings unless the number of complaints became significant. However, if the number of cases were significant, the impact could be substantial enough that resources in addition to the one Investigator II could be required.

Oversight assumes DOLIR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOLIR could absorb the costs related to this proposal. If the number of investigations and hearings require it, DOLIR would request funding through the appropriation process.

<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.

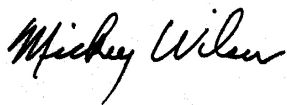
FISCAL DESCRIPTION

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
Joint Committee on Administrative Rules
Office of Administration
Missouri Department of Conservation
Department of Transportation



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