

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0735H.01I  
Bill No.: HB 87  
Subject: Labor and Management; Employees - Employers; Business and Commerce; Labor and Industrial Relations, Department of  
Type: Original  
Date: January 20, 2021

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Bill Summary: Enacts right-to-work provisions relating to labor organizations and workers.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<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 NumberOfPages pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<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 \$250,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Local Schools & School Districts	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Local Government</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Attorney General's Office (AGO)** assume any additional litigation costs arising from this proposal can be absorbed with existing personnel and resources, however, the AGO may seek additional appropriations if there is a significant increase in litigation.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Office of Administration – Budget & Planning (OA-B&P)** assume the proposal, specifically 290.591.4, states that any person who violates or directs another to violate any provision of this section shall be guilty of a class C misdemeanor. To the extent any associated fines or penalties are deposited in the state treasury, this would increase TSR by an "unknown" amount. Article IX, Section 7 of the Missouri Constitution requires that penalties, forfeitures, and fines collected for violations of state law be distributed to the schools

The proposal has no direct impact on the calculation in Article X, Section 18(e).

**Oversight** notes that the B&P have stated the proposal would not have a direct fiscal impact on their organization. However, B&P noted the Article IX, Section 7 of the Missouri Constitution requires that penalties, forfeitures, and fines collected for violations of state law be distributed to the schools. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a \$0 or "Unknown" impact to the local schools and school districts on the fiscal note.

Official from the **Department of Health and Senior Services, Department of Commerce and Insurance, Department of Health and Senior Services, Department of Mental Health, Department of Corrections** defer to the **Office of Administration** for a fiscal response.

Officials from the **Office of Administration, Office of Administration - Administrative Hearing Commission, Department of Elementary and Secondary Education, Department of Higher Education and Workforce Development, Department of Natural Resources, Department of Revenue, Department of Public Safety - Division of Alcohol and Tobacco Control, Capital Police, Fire Safety, Director's Office, Gaming Commission, National Guard, Highway Patrol, Veterans Commission, Department of Social Services, Missouri Department of Agriculture, Missouri Department of Conservation, Missouri Ethics Commission, Missouri Department of Transportation, Missouri Department of Transportation – Patrol Employee's Retirement System, Office of the State Public Defender, Office of the State Auditor, Joint Committee on Administrative Rules, Joint Committee On Education, Joint Committee on Public Employee Retirement, Legislative Research, Oversight Division, Missouri House Of Representatives, Missouri Senate, Economic & Policy Analysis Research, Missouri Lottery, Missouri Consolidated Health Care Plan, Missouri Higher Education Loan Authority, Missouri State Employee's Retirement System, Office of the State Courts Administrator, State Tax Commission** each assume that above state 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 **City of Hale** assume the proposal would have negative fiscal impact on their organization.

**Oversight** assumed the **City of Hale** could absorb any impact caused by this proposal with existing resources and therefore, will not show a fiscal impact. Additionally, the volume of new litigation is not known, therefore, Oversight assumed appropriation requests, if any, will be based on workload & budgetary measures of affected Local Governments and not as a direct result of this proposal.

Officials from the **City of Ballwin, Corder, Kansas City, O'Fallon, Springfield, and Saint Louis – Budget Division** each 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.

Officials from the **Missouri State University, Northwest Missouri State University, State Technical College of Missouri, University Of Central Missouri, and Missouri University** each 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 organizations.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other state agencies, colleges, universities, school districts, counties, and cities were requested to respond to this proposed legislation but did not. A general listing of political subdivisions in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
Fine Revenue - Local Schools and Local School Districts (p. 3, Article IX, Section 7)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>

FISCAL IMPACT – Small Business

A direct fiscal impact to small businesses may be experienced as a result of this proposal.

FISCAL DESCRIPTION

This bill prohibits employers from requiring employees to join or refrain from joining a labor organization requiring employees to pay any money to a labor organization, or requiring employees to pay any charity or third party the equivalent of money required to be paid by members of a labor organization. Any current agreement between an employer and labor

organization contrary to this provision is exempted from these restrictions, but such restrictions shall apply to any current agreement that is later renewed, extended, amended, or modified.

Anyone violating a provision of the bill, or directing another to violate a provision, will be guilty of a class C misdemeanor, and any person injured as a result of a violation or threatened violation of the provisions of the bill may recover all resulting damages, including costs and reasonable attorney fees, and will be entitled to injunctive relief against any violator or person threatening a violation.

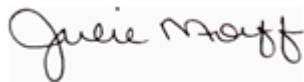
The prosecuting attorney, circuit attorney, or Attorney General of this state shall investigate and prosecute complaints of violations or threatened violations.

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

Attorney General's Office  
Office of the Secretary of State  
Office of Administration – Budget & Planning  
Department of Health and Senior Services  
Department of Commerce and Insurance  
Department of Health and Senior Services  
Department of Mental Health, Department of Corrections  
Office of Administration,  
Office of Administration - Administrative Hearing Commission  
Department of Elementary and Secondary Education  
Department of Higher Education and Workforce Development  
Department of Natural Resources  
Department of Revenue  
Department of Public Safety  
Department of Social Services  
Missouri Department of Agriculture  
Missouri Department of Conservation  
Missouri Ethics Commission  
Missouri Department of Transportation,  
Missouri Department of Transportation – Patrol Employee's Retirement System  
Office of the State Public Defender  
Office of the State Auditor  
Joint Committee on Administrative Rules  
Joint Committee on Education  
Joint Committee on Public Employee Retirement

Legislative Research  
Oversight Division  
Missouri House of Representatives  
Missouri Senate  
Economic & Policy Analysis Research  
Missouri Lottery  
Missouri Consolidated Health Care Plan  
Missouri Higher Education Loan Authority  
Missouri State Employee's Retirement System  
Office of the State Courts Administrator  
State Tax Commission  
City of Hale  
City of Ballwin  
City of Corder  
City of Kansas City  
City of O'Fallon  
City of Springfield  
City of Saint Louis – Budget Division  
Missouri State University  
  
Northwest Missouri State University  
State Technical College of Missouri  
University Of Central Missouri  
Missouri University



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