

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0397-01
Bill No.: SB 33
Subject: Administration, Office of; Contracts and Contractors; Employees - Employers;
Labor and Industrial Relations Dept.; Labor and Management; Political
Subdivisions; State Departments
Type: Original
Date: January 7, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other 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 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from **Jackson County, City of St. Louis, City of Springfield and Lincoln University** did not respond to our fiscal impact request.

Officials from the **County of Cole** did not respond to our fiscal impact request. However, in response to a similar proposal from a prior session, Cole County assumed the proposal would have no fiscal impact on their agency.

Officials from the **Office of the State Courts Administrator, Department of Labor and Industrial Relations, Department of Conservation, Department of Higher Education, Department of Transportation, Office of Administration – Divisions of Design and Construction and Purchasing and Materials Management, Truman State University, Harris–Stowe State College, Central Missouri State University, University of Missouri, Linn State Technical College** and the **City of Kansas City** assume the proposal would have no fiscal impact on their agencies.

Officials from **St. Louis County and The Metropolitan Community Colleges** assume no significant fiscal impact resulting from passage of the proposal.

ASSUMPTION (continued)

Officials from the **Office of Administration – Division of Purchasing and Materials Management** assume this proposal would prohibit bid specifications and contracts established by public agencies from imposing certain labor requirements on bidders and contractors. The Division of Purchasing currently does not issue bid specifications or award contracts that encourage or require contractors to enter into agreements with labor organizations. Therefore, this proposal would not significantly impact the Division of Purchasing.

Officials from the **Office of Attorney General** assume the costs related to this proposal are unknown (less than \$100,000 annually) because the proposal may impose attorney fees against the State in contracting cases.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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GENERAL REVENUE FUND

<u>Cost - Office of Attorney General</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

KLR:LR:OD (12/02)

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KLR:LR:OD (12/02)

DESCRIPTION

This proposal establishes the "Open Contracting Act" which prohibits public agencies from imposing certain labor requirements as conditions for performing public works. Public entities procuring products or services or entering into contracts for manufacture of public works shall ensure that their agreements do not bind the other parties to such agreement to labor organizations. Public entities shall not discriminate against such parties who refuse to adhere to agreements with labor organizations. Public entities shall not require such parties to make their employees join or pay dues or fees to a labor organization in excess of costs already paid.

Public entities shall not issue grants or contract for construction projects requiring another party's employees join, become affiliated with, or pay more money to a labor organization. Such entities may exercise authority, as required, to prevent such action by a grant recipient or party to a contract. Any interested party has standing to challenge agreements that violate these provisions.

This proposal 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 the Attorney General
Office of the State Courts Administrator
Department of Labor and Industrial Relations
Department of Conservation
Department of Higher Education
Department of Transportation
Office of Administration
 Division of Design and Construction
 Division of Purchasing and Materials Management
Truman State University
Harris–Stowe State College
Central Missouri State University
University of Missouri
Linn State Technical College
City of Kansas City
St. Louis County
The Metropolitan Community Colleges

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NOT RESPONDING

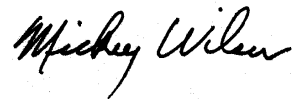
Jackson County

Cole County

City of St. Louis

City of Springfield

Lincoln University

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director

January 7, 2003