

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1425-01
Bill No.: SB 380
Subject: Department of Labor and Industrial Relations; Employment Security
Type: Original
Date: February 1, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Labor and Industrial Relations** (DOL) noted that the federal government is discontinuing the Standard Industry Classification (SIC) system and replacing it with the North American Industry Classification System. This proposal removes the SIC system and replaces it with generic language to allow current and future classification systems established by the federal government. The proposed legislation would appear to have no impact on the department.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal changes the basis for determining industrial classification divisions for purposes of calculating employer contributions for unemployment from the Standard Industrial Classification Manual to the industrial classification system established by the federal government.

This legislation would not duplicate any other program and would not require additional capital improvements or rental space. However, this legislation is federally mandated. DOL Officials noted that the Office of Management and Budget, Executive Office of the President, published the final notice of decision for the adoption of NAICS in 62 FR 17287 (April 9, 1997). This replaces the 1987 Standard Industrial Classification (SIC), therefore, the state's use of the SIC is no longer possible.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations

AK:LR:OD (12/00)

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive script.

Jeanne Jarrett, CPA
Director

February 1, 2001