

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1688-03
Bill No.: HCS for HB 468
Subject: Civil Rights; Courts; Employees-Employers
Type: Original
Date: April 4, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
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 2004	FY 2005	FY 2006
HUD Fund	(Less than \$340,000)	(Less than \$340,000)	(Less than \$340,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Less than \$340,000)	(Less than \$340,000)	(Less than \$340,000)

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration – Division of Personnel, Office of Administration – Administrative Hearing Commission, Office of the Attorney General and Office of State Courts Administrator** assume this proposal would have no fiscal impact on their agencies.

Officials from the **Department of Transportation (MoDOT)** assume the number of lawsuits filed may increase due to this proposal. MoDOT states the fiscal impact is indeterminable, therefore it is \$0 to negative unknown.

Oversight assumes the potential for an increased number of lawsuits resulting from passage of the proposal is speculative and assigns no fiscal impact.

Officials from the **Department of Labor and Industrial Relations (DOL)** assume this proposal could place caps on civil actions in housing discrimination cases which could result in a loss of federal funds from the Department of Housing and Urban Development (HUD). The DOL states they received a response from HUD which clearly indicates that any caps on damages in housing complaints brought pursuant to section 213.111, RSMo., would lead to a loss of federal funds from HUD.

ASSUMPTION (continued)

DOL notes this proposal attempts to address this problem, however, this House Committee substitute has added Section 213.111.6 which provides a statutory cap on punitive damages against state government and its subdivisions. DOL states in further discussion with the FHIP/FHAP Support Division at HUD, on 3/14/03, it was made clear that any statutory caps on damages including punitive damages would require a reevaluation of the Missouri Human Rights Act for substantial equivalence and lead to a quick loss of this status and the end of federal funding from HUD. DOL assumes the loss of funds could include their entire funding allotment which is approximately \$340,000 annually.

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

Loss – DOL

Potential Loss of Funding Due to Conformity Issue with Proposal	<u>(Less than \$340,000)</u>	<u>(Less than \$340,000)</u>	<u>(Less than \$340,000)</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.

DESCRIPTION

This proposal limits the total damages (actual and punitive) that a plaintiff in an unlawful discriminatory action filed pursuant to Chapter 213, RSMo, (Human Rights) may be awarded, depending upon the number of employees of the respondent.

Such limits on total damages shall not apply to:

- (1) Actions filed for violations of sections 213.040, 213.045, 213.050, and 213.070, to the extent that the alleged violation of section 213.070 relates to or involves a violation of sections 213.040, 213.045, and 213.050, or subdivision (3) of section 213.070, as it relates to housing;
- (2) Any action filed pursuant to this chapter in which the defendant or the defendant's agents are found to have committed battery in conjunction with the act of discrimination; or
- (3) Any action filed pursuant to section 213.126.

The provisions of proposed 213.111.4 notwithstanding, punitive damages shall not be awarded against the state of Missouri or any of its political subdivisions.

The proposal also allows either party to demand a trial by jury.

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

Department of Labor and Industrial Relations
Office of State Courts Administrator
Attorney General's Office
Office of Administration
 – Administrative Hearing Commission
 – Personnel
Department of Transportation



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