

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5103-01
Bill No.: Perfected HB 1219
Subject: Employees- Employers; Housing; Public Buildings
Type: Original
Date: February 7, 2012

Bill Summary: This proposal modifies the law relating to the Missouri Human Rights Act and employment discrimination.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Federal Funds	(\$1,185,378)	(\$1,185,378)	(\$1,185,378)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$1,185,378)	(\$1,185,378)	(\$1,185,378)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations (DOLIR)** assume the federal fiscal impact was calculated by using the current EEOC and HUD contract amounts and the costs of additional staff. The total for MCHR's current contract with HUD equals \$425,428. The current contract amount with EEOC is currently \$759,950. The fiscal impact at this time is \$1,185,378.

Officials at the **Missouri Department of Transportation** assume an unknown positive impact to the State Road Fund from this proposal.

Officials at the **Department of Conservation** assume an unknown negative impact to the Conservation Fund from this proposal.

Officials at the **Office of Attorney General (AGO)** assume that costs are unknown. AGO assumes an increase in the number of cases as the proposal limits all unlawful employment practices it addresses to the Commission, and expects initially increased appeals from determinations of the MCHR. The number of such cases, however, is unknown. If there is a significant increase in the number of cases referred from the Commission, AGO may request a future appropriation.

Officials at the **University of Missouri** assume the provisions of Section 213.200, RSMo, would likely result in adverse fiscal consequences for the University in excess of \$100,000. Under current state of the law, the University of Missouri has sovereign immunity from wrongful discharge cases. When such actions are brought against the University, they are usually dismissed by the court in the early stages of litigation and almost always prior to trial. Section 213.200, RSMo, would legislatively authorize wrongful discharge actions premised upon protected whistle-blowing activities. Such legislation may be interpreted as a statutory waiver of sovereign immunity enjoyed by the University of Missouri, other state governmental entities and local governmental entities.

Officials at the **City of Kansas City** assume savings would be experienced by this legislation as a result of caps on recovery and elimination of punitive damages in some instances. Furthermore, it is anticipated that by mirroring the standards followed in the federal civil rights laws and requiring consideration of summary judgment motions that negotiations for settlement may be accelerated saving the costs of defense. The impact on juries that mirroring the federal law's standard cannot be measured, but it is anticipated to be substantial.

ASSUMPTION (continued)

Officials at the **Metropolitan Community College** assume this would have a potential positive, but unknown, fiscal impact on the College.

Officials at the **Mexico School District** assume an unknown impact. The impact occurs if a violation occurs.

Officials at the **Special School District** assume a positive impact by reducing legal fees in employment cases. The estimated impact is about \$25,000 per year.

Officials at the **Linn State Technical College, Missouri Southern State University, Missouri State University, Missouri Western State University, Northwest Missouri State University, Office of State Courts Administrator, Parkway School District, St. Louis County** and the **University of Central Missouri** assume that there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
FEDERAL FUNDS			
<u>Loss - Dept of Labor</u>			
EEOC & HUD contracts	<u>(\$1,185,378)</u>	<u>(\$1,185,378)</u>	<u>(\$1,185,378)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(\$1,185,378)</u>	<u>(\$1,185,378)</u>	<u>(\$1,185,378)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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

Currently, under the Missouri Human Rights Act (MHRA), a practice is unlawful when the protected trait is a contributing factor in the decision to discriminate. This act changes that standard to a motivating factor standard.

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

City of Kansas City
Department of Labor and Industrial Relations
Linn State Technical College
Metropolitan Community College
Mexico School District
Missouri Department of Transportation
Missouri Southern State University
Missouri State University
Missouri Western State University
Northwest Missouri State University
Office of State Courts Administrator
Parkway School District
Special School District
St. Louis County
University of Central Missouri
University of Missouri



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