

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 12-0501

Date: February 9, 2012

Prime Sponsor(s): Sen. Neville
Rep. Joshi

Bill Status: Senate Business, Labor & Technology
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING THE PROHIBITION OF DISCRIMINATION AGAINST EMPLOYEES
BASED ON LABOR UNION PARTICIPATION.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
Cash Funds		
Fines Collection Cash Fund	<\$5,000	<\$5,000
State Expenditures		
FTE Position Change		
Effective Date: July 1, 2012.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill prohibits an employer from requiring, as a condition of employment, membership in a labor organization or to pay dues, fees, or other assessments to a labor organization, charity or other third party. Any agreement that violates these prohibitions or the rights of employees is void. It defines all-union agreements as unfair labor practices. Violations are subject to civil and criminal penalties, and the Attorney General or district attorneys of each judicial district are responsible for enforcement of the bill. Federal employers and employees are exempted from the bill.

State Revenue

Under the bill, the penalty for a misdemeanor violation is up to 90 days imprisonment in a county jail, a fine of up to \$1,000, or both. Because the courts have the discretion of incarceration, imposing a fine, or both, the impact to state revenue cannot be determined but is expected to be less than \$5,000 per year. Any fines collected and not otherwise appropriated would be deposited into the Fines Collection Cash Fund.

State Expenditures

The Attorney General and district attorneys in each judicial district are responsible for investigation and prosecution of violations. State court resources may also be used in enforcement activities. These cases are expected to be infrequent with minimal costs and to be addressed within existing appropriations.

Local Government Impact

The penalty for a misdemeanor under this bill is up to 90 days months imprisonment in a county jail, a fine of up to \$1,000, or both. Because the courts have the discretion of incarceration or imposing a fine, the impact at the local level cannot be determined. The cost to house an offender in county jails varies from \$45 to \$50 per day in smaller rural jails to \$62 to \$65 per day for larger Denver-metro area jails. It is assumed that the impact of this new misdemeanor will be minimal and will not create the need for additional county jail space.

The fiscal note assumes that existing local government collective bargaining agreements with employees do not include compulsory union membership in accordance with the bill.

Departments Contacted

Personnel and Administration
Law

Labor and Employment
Judicial