

Colorado Legislative Council Staff Fiscal Note
**STATE, LOCAL, and
 STATUTORY PUBLIC ENTITY
 FISCAL IMPACT**

Drafting Number: LLS 15-0233	Date: January 20, 2015
Prime Sponsor(s): Rep. Everett Sen. Neville T.; Woods	Bill Status: House SVMA Fiscal Analyst: Kristen Koehler (303-866-4918)

BILL TOPIC: PROHIBIT DISCRIMINATION LABOR UNION PARTICIPATION

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue	Potential minimal increase.	
State Expenditures		
FTE Position Change		
Appropriation Required: None.		

** This summary shows changes from current law under the bill for each fiscal year.*

Summary of Legislation

This bill prohibits an employer from requiring employee membership in a labor organization as a condition of employment, or from requiring employees to pay dues, fees, or other assessments to a labor organization, charity, or other third party. Standing agreements that violate these prohibitions are made void. The bill also defines all-union agreements as unfair labor practices. Violations by employers are considered unclassified misdemeanors and are subject to civil and criminal penalties. The attorney general or district attorneys of each judicial district are responsible for investigating complaints and taking actions to enforce the statute. Federal employers and employees are exempted from the bill.

Background

According to the Bureau of Labor Statistics, 2.4 million Coloradans, or 16.4 percent of the state's workforce, held union memberships in 2013.

State Revenue

This fiscal note assumes a high rate of compliance by employers, therefore this bill is estimated to have a minimal impact on state cash fund revenue. While the bill establishes a misdemeanor penalty punishable by a fine of up to \$1,000; the fine is assessed only upon conviction in court. Any fines collected are credited to the Fines Collected Cash Fund within the Judicial Department.

State Expenditures

Beginning in FY 2015-16, this bill may increase the workload of the attorney general's office, which, in addition to the state district attorneys, is responsible for investigating and prosecuting complaints associated with employer violations. However, because this fiscal note assumes a high level of employer compliance, it is assumed that this cost will be minimal and can therefore be accomplished within current Department of Law appropriations. Similarly, this fiscal note assumes a minimal increase in court filings due to employer noncompliance, which the trial courts in the Judicial Department can accomplish with existing appropriations.

Local Government Impact

This bill may increase workload for district attorneys, which are charged with investigating and prosecuting complaints associated with employer violations; however, it is assumed these costs will be minimal.

The bill establishes a misdemeanor penalty punishable by up to 90 days imprisonment in a county jail. Because the courts have the discretion of incarceration or imposing a fine, the impact at the local level cannot be determined, but is expected to be minimal. The cost to house an offender in county jails varies from \$53 to \$114 per day. For the current fiscal year, the state reimburses county jails at a daily rate of \$52.74 to house state inmates.

Counties that currently use collective bargaining agreements will be minimally impacted as they make necessary changes to conform with the law.

Statutory Public Entity Impact

Statutory public entities, insofar as these entities require labor union participation, will be minimally impacted by the bill. The Regional Transportation District (RTD), for example, currently deducts compulsory union dues from their employees' salaries. The fiscal note assumes that the workload impact will occur as these entities repeal compulsory union membership in accordance with the bill and make updates to their payroll system.

Comparable Crime

Pursuant to Section 2-2-322 (2.5), C.R.S., Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or changes an element of the existing crime that creates a new factual basis for the offense.

House Bill 15-1076 creates a new misdemeanor crime for employers who require participation or payment to a labor organization, charity, or other third party as a condition of employment, punishable by a fine of up to \$1,000, 90 days imprisonment in county jail, or both. Under the bill, the Department of Law is responsible for the documentation, investigation, and enforcement of this crime.

Under current law, violation of any section of the Labor Peace Act (Section 8-3-101, *et seq.*, C.R.S.) constitutes a misdemeanor punishable by fine. The fine is \$50 to \$100 for the first convicted offense, and \$100 to \$500 for subsequent offenses, together with costs. The offices of the attorney general and the district attorneys report no recent complaints.

Effective Date

The bill takes effect July 1, 2015.

Departments Contacted

Counties
Judicial
Local Affairs
Regulatory Agencies
District Attorneys

Education
Labor and Employment
Personnel and Administration
Municipalities

Higher Education
Law
Public Safety
RTD