

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0542

Date: January 22, 2013

Prime Sponsor(s): Sen. Hill

Bill Status: Senate Business, Labor, & Technology

Fiscal Analyst: Jonathan Senft (303-866-3523)

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

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
Cash Funds		
Fines Collection Cash Fund	<\$5,000	<\$5,000
State Expenditures		
FTE Position Change		
Effective Date: July 1, 2013.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: See Local Government and School District 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. 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 attorney of each judicial district is responsible for enforcement of the bill. Federal employers and employees are exempted from the bill.

State Revenue

This bill creates a new unclassified misdemeanor. The penalty for this 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 or district attorney in each judicial district is 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 can be accommodated within existing appropriations.

Local Government Impact

The penalty for the 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.

School District Impact

Currently, 24 school districts allocate a portion of teachers' salary to third parties as described by the bill. Because this bill would eliminate a district's responsibility to redirect these funds to third parties, workloads for these districts may be minimally reduced.

Pursuant to Section 22-32-143, C.R.S., as specified by House Bill 11-1277, school districts and Boards of Cooperative Educational Services (BOCES) may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: <http://www.colorado.gov/lcs>

Departments Contacted

Counties

Law

School Districts

Judicial

Municipalities

Labor and Employment

Personnel and Administration