

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0322

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Prime Sponsor(s): Rep. Everett

Bill Status: House SVMA

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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 Collected Cash Fund	Minimal. See State Revenue section.	
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: July, 1 2013.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

Effective July 1, 2013, 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. The bill also defines all-union agreements as unfair labor practices. Violations are considered unclassified misdemeanors and violators are subject to civil penalties. 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

The bill is not expected to increase state revenues significantly. It establishes a misdemeanor penalty punishable by a fine of up to \$1,000, but this fiscal note assumes a high level of compliance by employers. 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 minimal. Fines are credited to the Fines Collection Cash Fund within the Judicial Department.

State Expenditures

This bill is not expected to significantly affect state expenditures. The attorney general and district attorneys in each judicial district are responsible for investigation and prosecution of violations. State court staff and funds may also be used in enforcement activities. These cases are expected to be rare, with minimal costs that can be addressed within existing appropriations.

Local Government Impact

This bill is not expected to significantly increase local government revenues or expenditures. As mentioned above, district attorneys in each judicial district, as well as the state Attorney General, are responsible for investigation and prosecution of violations. The bill establishes a misdemeanor penalty punishable by up to 90 days months 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 \$45 to \$50 per day in smaller rural jails to \$62 to \$65 per day for larger Denver-metro area jails.

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

Counties	Municipalities
Education	Judicial
Labor	Local Affairs
Personnel and Administration	Public Safety