

February 14, 2017

The Honorable Steven Johnson, Chairperson
House Committee on Taxation
Statehouse, Room 185-N
Topeka, Kansas 66612

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2325 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2325 is respectfully submitted to your committee.

Under current law, employees have the right to:

1. Form, join or assist labor organizations;
2. Bargain collectively through representatives of their own choosing;
3. Engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection; and
4. Refrain from any or all activities above.

HB 2325 would create the "Fair Share Act." The bill would require as a condition of employment, a "fair share charitable fee" would apply to any employee who does not elect to be a member of a labor organization that is the exclusive bargaining representative of the employee's bargaining unit under applicable federal law. The "fair share charitable fee" would be an amount determined by the labor organization, and could be not less than 85.0 percent and not more than 100.0 percent of the regular dues and initiation fees assessed by the labor organization to its members. The fee would be required to be deducted by the employer, and 70.0 percent of the proceeds of the fees would be given to the AFL-CIO United Way Fund and 30.0 percent to the Guide Dogs of America.

According to the Kansas Department of Labor, enactment of HB 2325 would have no fiscal effect on state revenues or expenditures. However, the bill would require an employee who does not elect to be a member of a labor organization to have a "fair share charitable fee" deducted from his or her paycheck, which would reduce the employee's take-home pay. These

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fees would increase revenues to the AFL-CIO United Way Fund and the Guide Dogs of America; however, the fiscal effect cannot be estimated.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Dawn Palmberg, Department of Labor