



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:	
SB0450 - Personal Freedom /Right of Conscience Act related to immunizations and drugs (Emrich, Daniel)	
Status:	As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$212,499	\$207,576	\$210,360	\$213,143
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$212,499)</u>	<u>(\$207,576)</u>	<u>(\$210,360)</u>	<u>(\$213,143)</u>

Description of fiscal impact: SB 450 requires specific entities and individuals to accept religious or conscience exemptions to required immunizations. The Department of Labor and Industry (DLI) anticipates this will result in additional complaints made to the Human Rights Bureau within the Employment Standards Division (ESD) and will have a fiscal impact to the state.

FISCAL ANALYSIS

Assumptions:

- SB 450 allows individuals who are aggrieved by a violation of Section 1 of this legislation to file a complaint with the Human Rights Bureau of the Department of Labor & Industry (DLI). Utilizing filing data for similar legislation, DLI has seen over 227 complaints over the last two years. Whereas SB 450 is not as broad in scope as some of the prior legislation, it allows for filings by employees in the health care industry and persons working for nursing homes. In previous years, the Human Rights Bureau had the highest level of filings from this sector. Accordingly, the division anticipates 100 additional complaints per year resulting from SB 450.
- A DLI investigator can process approximately 50 investigations per year, therefore an additional 2.00 FTE Human Rights Investigators/Compliance Specialists would be needed.

3. Total personal services costs for 2.00 FTE will be \$168,897 for FY 2024 and \$169,450 for FY 2025 plus 1.5% inflation adjusted for FY 2026-2027.
4. The DLI cost allocation plan is applied at 9.5% of total personal services each year. This equates to \$16,045 in operating expenditures for FY 2024 and \$16,098 for FY 2025 plus 1.5% inflation adjusted for FY 2026-2027.
5. One-time-only costs for each new FTE include \$1,600 for office supplies and furniture and \$1,200 for a computer. This equals \$5,600 in operating expenditures in FY 2024.
6. DLI estimates additional operating expenditures each year at approximately 13% of personal services expenditures. These operating expenditures include supplies, rent, information technology and other related expenditures. This equals \$21,957 in FY 2024 and \$22,028 in FY 2025-2027.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	2.00	2.00	2.00	2.00
<u>Expenditures:</u>				
Personal Services	\$168,897	\$169,450	\$171,992	\$174,534
Operating Expenses	\$43,602	\$38,126	\$38,368	\$38,609
TOTAL Expenditures	<u>\$212,499</u>	<u>\$207,576</u>	<u>\$210,360</u>	<u>\$213,143</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$212,499	\$207,576	\$210,360	\$213,143
TOTAL Funding of Exp.	<u>\$212,499</u>	<u>\$207,576</u>	<u>\$210,360</u>	<u>\$213,143</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Technical Notes:

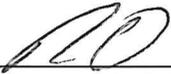
1. Section 1(3) is ambiguous as to whether it intends to create a cause of action outside the Montana Human Rights Act. The MHRA provides for complaints to be filed as well as remedies for discriminatory practices, to include attorney fees. Because the section is codified in the MHRA, those remedies would, by default, apply to the section. By specifying in subsection (3) that one may “seek compensatory damages and attorney fees” the bill may be interpreted to permit a separate cause of action outside of the exclusive remedy.
2. Section 49-2-101(18), MCA, defines “person” to mean “one or more individuals, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated employees’ associations, employers, employment agencies, organizations, or labor organizations.” As such, the definition includes both individuals (natural humans) and entities. Section 1(1) applies to “entities or persons.” By establishing a disjunctive definition of entities or persons, the section creates an ambiguity as to the applicability of the statute and whether it should apply to all “persons” as defined by the MHRA, or the narrower list set forth in Section 1(1). To the extent the section intends a narrower list of applicability, it may implicate the equal protection clauses of the Montana and United States Constitutions.

3. Section 1(2) is ambiguous in the type of “funding” targeted as well as the length of time for such penalty; for example, whether such penalty is intended permanently to bar any monetary transfer from the state to the person.

NO SPONSOR SIGNATURE

Sponsor's Initials

3/2/23
Date


Budget Director's Initials

3-2-23
Date