

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 19, 2011**

**TO:** Honorable Harold V. Dutton Jr., Chair, House Committee on Urban Affairs

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB1652** by Alonzo (Relating to collective bargaining by firefighters and police officers.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Local Government Code to remove the requirement that a municipality adopt Chapter 174 through a local election prior to fire fighters or police officers being entitled to bargain collectively. Certain restrictions associated with a municipality adopting Chapter 174 would be eliminated. The bill also would require arbitration upon the request of arbitration instead of the agreement of arbitration.

The bill would repeal sections of the Local Government Code; and Section 1.05, Chapter 183 of the Acts of the 64th Legislature, Regular Session, 1975. Repeal of these statutes would result in the increased ability of fire fighters or police officers to bargain collectively.

**Local Government Impact**

According to the Texas Municipal League (TML), cities take the position that the process of collective bargaining with employees would create significant costs to cities. The cost of negotiating the agreement is costly. The City of Austin informed TML that the city spent \$251,591 in 2008 on labor negotiations for the fire, police, emergency medical service, and public safety and emergency management departments; and spent \$71,947 in 2009 on labor negotiations for the fire department. The City of El Paso informed TML that the city spent \$41,388 negotiating a collective bargaining agreement. TML also noted there would be additional costs in funding the conditions that are included in the agreement although those costs cannot be estimated.

The repeal of Subchapter C could result in a savings of the cost of an election to a political subdivision; however, those savings would vary depending on the population of the locality.

**Source Agencies:**

**LBB Staff:** JOB, KKR, TP