

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATURE 3rd CALLED SESSION 2023

October 20, 2023

TO: Honorable Todd Hunter, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB7 by Middleton (relating to prohibiting a private employer from adopting or enforcing certain COVID-19 vaccine mandates; authorizing an administrative penalty.), **Committee Report 2nd House, Substituted**

The fiscal implications of the bill cannot be determined due to the following variables being unknown: the number and timing of applicable COVID-19 vaccine mandates adopted or enforced by employers, the volume of resulting complaints and the corresponding administrative workload, and the amount of any revenue from administrative penalties and recovered investigative costs.

The bill would prohibit an employer, other than a governmental entity, from adopting or enforcing certain COVID-19 vaccine mandates. The bill would prohibit such an employer from taking an adverse action against an employee, contractor, applicant for employment, or applicant for a contract position for a refusal to be vaccinated against COVID-19 but would create an adverse action exception for certain health care facilities, health care providers, and physicians. An employee, contractor, applicant for employment, or applicant for a contract position against whom an employer took an adverse action in violation of the bill would be authorized to file a complaint with the Texas Workforce Commission (TWC) for investigation by TWC. The bill would authorize TWC to request that the attorney general bring an action for injunctive relief against the employer to prevent further violations. The bill would require TWC to impose on an employer who violates the bill an administrative penalty of \$10,000 for each violation, unless the employer takes certain corrective action, and would authorize TWC to recover from an employer reasonable investigative costs incurred by TWC in conducting an investigation if TWC determined the employer to have violated the bill.

The Office of the Attorney General anticipates that any legal work resulting from the passage of the bill could be reasonably absorbed using current resources. No significant fiscal impact to the state court system is anticipated. TWC anticipates potential costs related to establishing and administering a process for investigating vaccine mandate complaints and collecting investigative costs from employers determined to be in violation of the bill. According to TWC, if the agency were to employ a process similar to that used to review and investigate Civil Rights complaints and were to field 764 complaints per year, there could be a negative impact to the General Revenue Fund for the 2024-25 biennium, though that estimated impact does not account for any offsetting revenue that could derive from administrative penalties and recovered investigative costs.

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Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 320 Texas Workforce Commission, 529 Health and Human Services Commission, 537 State Health Services, Department of

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