

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATURE 3rd CALLED SESSION 2023

October 9, 2023

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB7 by Middleton (Relating to prohibiting an employer from adopting or enforcing certain COVID-19 vaccine mandates; authorizing an administrative penalty.), **As Introduced**

The fiscal implications of the bill cannot be determined due to 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 administrative penalty revenue being unknown.

The bill would prohibit an employer from adopting or enforcing certain COVID-19 vaccine mandates. 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 the attorney general to bring an action for injunctive relief against the employer to prevent further violations. The bill would authorize TWC to impose on an employer who violates the bill an administrative penalty of not more than \$1,000 for each violation, unless the employer takes certain corrective action.

The Office of 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. 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 of \$784,637 to the 2024-25 biennium. TWC's estimate does not account for any penalty revenue that could be used to offset costs of administration.

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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

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