Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 854 (Senator Muse, *et al.*)
Finance

Prince George's County - Revenue Authority

This bill enables employees of the Prince George's County Revenue Authority who are not exempt from the county labor code to organize and collectively bargain for compensation, pension and fringe benefits, work hours, and terms and conditions of employment. In matters concerning compensation, pension and fringe benefits, and work hours, the county executive is considered the employer; for other issues, the revenue authority is the employer. However, any required funding for a collective bargaining agreement negotiated by the authority is subject to the approval of the county executive. In addition, the bill places these employees under the county's personnel law.

Fiscal Summary

State Effect: None.

Local Effect: Potential minimal increase in expenditures by the Prince George's County Revenue Authority to hire a negotiator; personnel costs could increase depending on the scope of any negotiated provisions. Potential minimal increase in county expenditures related to hiring an arbitrator. Revenues would not be affected.

Small Business Effect: None.

Analysis

Current Law: Employees of the Prince George's County Revenue Authority do not have the authority to collectively bargain.

The Prince George's County Code contains provisions regarding: ● procedures to elect an exclusive representative; ● employee rights regarding collective bargaining; ● collective bargaining procedures; ● prohibited unfair labor practices; and ● impasse resolution. In resolving an impasse, an arbitrator or fact finder may be employed, and the costs for this service are the responsibility of the county. All other costs are borne equally by the parties involved in the dispute, unless an arbitrator determines that the impasse has been caused or prolonged by flagrant conduct of one of the parties. This bill subjects any collective bargaining undertaken by the employees of the revenue authority to this part of the code.

Generally, employees excluded from the labor code are elected officials, management level employees, confidential employees, and officials appointed to a policy-making positions.

Background: The Prince George's County Revenue Authority was established to streamline procurement, land acquisition, and land disposition processes; to provide staff expertise in land development, economic development, and capital financing and facilities maintenance; and to finance revenue bonds for government and public/private development partnerships. The revenue authority manages three parking garages and five commuter parking lots, maintains 300 parking meters in Upper Marlboro and Mt. Rainier, enforces parking at around 20,000 sparking spaces throughout the county and processes fines, and it leases the property at the Boulevard at the Capital Center (a 70-acre mixed use development). Its fiscal 2007 operating budget totals $5.6 million – $0.7 million of which is for employee compensation and benefits. The revenue authority currently employs 50 individuals, 47 of which would be covered by the bill.

Local Fiscal Effect: It is assumed that since Prince George's County already collectively bargains with other employee groups, expenditures directly attributable to negotiating with revenue authority employees would be minimal and absorbable within existing resources for the county on matters where the county executive is considered to be the employer. The revenue authority, however, may need to hire a negotiator to conduct negotiations on matters where it is considered to be the employer. Assuming $200 per hour and 30 billable hours, revenue authority expenditures would increase by $6,000 for negotiation costs.

If an impasse occurs, expenditures could increase related to employing a third party neutral to be an arbitrator or fact finder. *For illustrative purposes only*, according to the Federal Mediation and Conciliation Service, the average arbitrator per diem rate in Maryland is $992. Assuming five billable days of arbitration or fact finding, county expenditures could increase by around $5,000 for each dispute. The county is responsible for paying the entire amount. This estimate does not include other associated expenditures, such as transcription services.

Costs associated with collective bargaining agreements produced by the parties would depend on wages, benefits, and other factors associated with the final agreement. These costs cannot be reliably quantified at this time. Any additional required funding resulting from a collective bargaining agreement negotiated by the revenue authority, however, is subject to the approval of the county executive.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, Federal Mediation and Conciliation Service, Department of Legislative Services

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ncs/hlb

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