

OFFICE OF FISCAL ANALYSIS

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sSB-508

AN ACT RESTRICTING THE USE OF NONDISPARAGEMENT AND SETTLEMENT AGREEMENTS BY STATE AGENCIES AND QUASI-PUBLIC AGENCIES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$
Various State Agencies	Various - See Below	Indeterminate	Indeterminate
Various Quasi-Public State Agencies	Various - See Below	Indeterminate	Indeterminate

Note: Various=Various

Municipal Impact: None

Explanation

The bill has an indeterminate impact to all state agencies and quasi-public state agencies by restricting them from making payments to employees to avoid costs associated with potential litigation or pursuant to a nondisclosure agreement.

Under the bill, a state agency may only make such a payment under a settlement agreement that the attorney general entered on the agency's behalf or a compromise that the governor authorized related to a disputed claim by or against the state or a state department or agency.

In circumstances where no further litigation would have been pursued, there would be a savings to agencies by the bill's restriction. In circumstances where further litigation will be pursued as a result of the bill's restriction there may be potential costs to the respective

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agency. The scope of the savings or costs would vary on a case by case basis.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.