

Commission on Local Government

Estimate of Local Fiscal Impact
2004 General Assembly Session

Bill: HB 803

Patron: Petersen

Date: January 23, 2004

In accordance with the provisions of §30-19.03 – 30-19.03:1.1 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

I. Bill Summary

HB 803 would require that local governments calculate a law enforcement officer's overtime in the same manner as currently required for firefighters. The effect of the legislation would be to exempt law enforcement personnel from the Fair Labor Standards Act (FLSA). This bill provides that for the purposes of computing law enforcement employees' entitlement to overtime for regularly scheduled work hours, all hours when such an employee works or is in a paid status (e.g., annual or sick leave), shall be counted as work hours. The principal requirements of this bill are similar to those of HB 435 (Suit).

II. Fiscal Impact Analysis

The Commission on Local Government received fiscal impact estimates concerning HB 803 from 15 local governments (the Counties of Augusta, Bath, Fairfax, Gloucester, James City, Northampton, Rappahannock, Rockbridge, Rockingham, and Spotsylvania, and the Cities of Chesapeake, Hopewell, Lynchburg, Poquoson, and Virginia Beach). Five localities (Augusta and James City Counties and the Cities of Hopewell, Lynchburg, and Virginia Beach) reported no net additional expenditure from this measure because those localities currently met the proposed standard. Bath County reported that the net additional expenditure to implement this legislation would be less than \$5,000. The fiscal impact estimates submitted by those localities reporting a net additional expenditure of more than \$5,000 are as follows:

<u>City of Chesapeake</u>	<u>\$290,000 Total First-Year Cost</u>
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The first-year estimate is based on FY2002-03 hours worked by law enforcement officers which would qualify for overtime under this bill.

<u>City of Poquoson</u>	<u>\$50,000 Total First-Year Cost</u>
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The first-year estimate is based the amount currently paid to law enforcement personnel for overtime during paid holidays and projected to the total overtime that would be eligible for reimbursement.

Fiscal Impact Statement

HB 803

Page 2

Fairfax County

\$1,000,000 Total First-Year Cost

The first-year estimate was based on FY2000-01 hours worked by police and Sheriff's Department personnel which would qualify for overtime under this bill.

Gloucester County

\$204,750 Total First-Year Cost

The first-year cost was based on an estimate of the overtime hours worked by law enforcement personnel each work cycle multiplied by an overtime pay rate plus FICA.

Northampton County

\$9,865 Total First-Year Cost

The first-year cost was based on an estimate of monthly overtime hours for law enforcement officers multiplied by an overtime pay rate.

Rappahannock County

\$7,500 Total First-Year Cost

The first-year cost was based on a projection of overtime hours for law enforcement personnel which would qualify for overtime under this bill.

Rockbridge County

\$35,000 Total First-Year Cost

The first-year cost was based on the average of overtime worked by Sheriff deputies over the past three years.

Rockingham County

\$50,000 Total First-Year Cost

The first-year cost was based on an estimate of the additional overtime expenses required to meet the provisions of the legislation.

Spotsylvania County

\$414,000 Total First-Year Cost

The first-year cost was based on paying law enforcement personnel for an additional 11 hours per 28-day work cycle.

Two localities that currently provided overtime compensation for law enforcement personnel on annual or sick leave (the Cities of Lynchburg and Virginia Beach) stated that this bill would prohibited a change in their policies should local circumstances dictate. Fairfax County noted that its estimate of local fiscal impact did not include a calculation for Sheriff's Department personnel that do not perform a police function (i.e., correctional, court service, and court security officers), but if those law enforcement officers were exempted from the FLSA by HB 803, the cost to the County would be greater. Finally, the Counties of Northampton and Rappahannock noted that

Fiscal Impact Statement**HB 803****Page 3**

HB 803 was unclear whether the Compensation Board would be responsible for funding the additional overtime costs.

III. Conclusion

The fiscal impact of HB 803 on local governments is expected to be significant. The exact cost to localities will vary according to the number of law enforcement personnel, scope of the exemption from the FLSA with respect to personnel not performing police functions, and if the Commonwealth would assume responsibility for overtime reimbursement.