

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** HB167

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Cosgrove, J. A.

**3. Committee:** Commerce and Labor

**4. Title:** Child labor; exemption for children employed in family business.

**5. Summary:** This bill exempts children from certain provisions of the child labor laws if they are employed by (i) their parent or a person standing in place of their parent or (ii) an employer that is a business entity primarily owned by a family member or members and the parent or person standing in place of the parent consents. The bill also specifies the criteria for which a person may be considered a family member in the subsection of the statute.

**6. Budget Amendment Necessary:** Yes, Item 115.

**7. Fiscal Impact Estimates:** Preliminary.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2012	0	0	
2013	\$154,086	2	General Fund
2014	\$154,086	2	General Fund
2015	\$154,086	2	General Fund
2016	\$154,086	2	General Fund
2017	\$154,086	2	General Fund
2018	\$154,086	2	General Fund

**8. Fiscal Implications:** This bill will increase the number of children eligible for exemption from certain provisions of the child labor laws. The Department of Labor and Industry anticipates that complaints will increase under the new law. As such, the department estimates that there will be approximately 200 additional cases for investigation per year under this proposal. Current case load for labor law investigators is 100 cases a year; an additional two investigators would need to be hired to handle this increased workload. Salaries and benefits for the two investigators are estimated at \$118,528 with additional support costs, such as telephone services, information technology support, rent, and supplies, estimated at \$35,558 for a total annual cost of \$154,086. The employees will be needed July 1, 2012, to begin enforcement of the statute.

**9. Specific Agency or Political Subdivisions Affected:** Department of Labor and Industry; local school divisions.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This legislation may reduce the number of work permits administered by local school divisions; however, it is anticipated that any such reduction would be marginal and the resulting administrative savings, if any, would remain with the affected divisions.

**Date:** 1/16/12

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