

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB240

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Rasoul

3. Committee: Commerce and Labor

4. Title: Wage or salary history inquiries prohibited; civil penalty.

5. Summary: Prohibits a prospective employer from (i) requiring as a condition of employment that a prospective employee provide or disclose the prospective employee's wage or salary history or (ii) attempting to obtain the wage or salary history of a prospective employee from the prospective employee's current or former employers. Violations are subject to a civil penalty not to exceed \$100 per violation.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See Item 8.

8. Fiscal Implications: The fiscal impact to the Department of Labor and Industry (DOLI) is indeterminate as this bill requires DOLI to enforce this provision. DOLI would need a part-time inspector to respond to the 75 to 100 calls that are anticipated as a result of this bill. The amount of civil penalties that might be collected is indeterminate. Any revenue would be deposited to the general fund.

The fiscal impact for the Department of Human Resource Management (DHRM) is also indeterminate. An applicant's salary history is one of 13 pay factors used to determine the starting pay for new hires and rehires, so this bill would have major policy implications for DHRM. DHRM hired/rehired 11,368 employees in FY 2017 and hired/rehired 5,959 employees in FY 2018 year to date. Under the provisions of this bill, the civil penalty for each violation is \$100. DHRM would have incurred \$1,368,000 in civil penalties in FY 2017 and \$595,900 in civil penalties year to date FY 2018.

In FY 2017, approximately 2,000 employees transferred to other agencies and their current salaries were considered in their employment offers. Commonwealth of Virginia salaries are public information.

9. Specific Agency or Political Subdivisions Affected: Department of Labor and Industry; Department of Human Resource Management; all state agencies; courts.

10. Technical Amendment Necessary: No.

11. Other Comments: None.