

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB259

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

2. Patron: Habeeb

3. Committee: Commerce and Labor

4. Title: Payment of wages; remedies; penalties.

5. Summary: Expands the information an employer is required to provide to its employees when wages are paid to include the name and address of the employer, the number of hours worked during the pay period, and the rate of pay. The measure prohibits an employer from taking retaliatory action against an employee, and an employee who has been discharged or discriminated against may file a complaint with the Department of Labor and Industry and seek appropriate remedies. The measure authorizes the Commissioner of Labor and Industry to institute proceedings on behalf of an employee to enforce compliance with the prohibition on retaliatory actions and collect on behalf of the employee three times the amount of unpaid wages and three times the amount of wages the employee would have earned absent the prohibited discrimination. The Commission is further authorized to assess and collect a civil penalty of no less than \$2,500 and no more than \$10,000 per employee subject to the prohibited discrimination. Finally, the measure authorizes the Department to conduct investigations on behalf of other employees if it learns that other employees of the same employer are not being paid wages.

6. Budget Amendment Necessary: Yes, Item 112 (HB30/SB30). See Item 8.

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

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	0	0	n/a
2019	\$103,071	1.0	GF
2020	\$103,071	1.0	GF
2021	\$103,071	1.0	GF
2022	\$103,071	1.0	GF
2023	\$103,071	1.0	GF
2024	\$103,071	1.0	GF

8. Fiscal Implications: The Department of Labor and Industry (DOLI) would begin enforcement of the new pay stub and anti-discrimination provision July 1, 2018, and would need one additional officer position to investigate employee discrimination claims and respond to inquiries about the new paystub requirements. Additionally, DOLI anticipates

more people reporting wage claims while still employed. Most claimants wait until they are no longer employed to report to DOLI. As a result of this bill, DOLI anticipates that its Labor Law Division would investigate an additional 50 to 75 claims of inappropriate discharge and 75 to 100 wage claims from currently employed employees.

Additionally, this bill may have a general fund revenue impact as the bill authorizes DOLI to assess and collect a civil penalty of between \$2,500 and \$10,000 per employee who was subject to the prohibited discharge or other discrimination. Any civil penalty revenue would be deposited to the general fund.

9. Specific Agency or Political Subdivisions Affected: Department of Labor and Industry.

10. Technical Amendment Necessary: No.

11. Other Comments: None.