

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB37

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: Kory

3. Committee: Courts of Justice

4. Title: Wages; cause of action against an employer for nonpayment.

5. Summary: Affirms that an employee has cause of action against an employer who fails to pay wages to recover the wages and prejudgment interest at eight percent annually from the date the wages were due. The measure provides that if the court finds that the employer knowingly failed to pay the wages, it shall also award the employee reasonable attorney fees and court costs. If the court finds that the employer's failure to pay wages was willful and with intent to defraud the employee, the court shall also award the employee reasonable attorney fees and court costs plus an additional sum equal to the amount of wages due.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: This bill grants an employee the right to sue their employer for failure to pay wages in accordance with the payment of wage statute. If the employee prevails, the employee is entitled to receive the wages owed, the prejudgment interest, attorney fees, and court costs. If the court finds the failure to pay wages was willful and with intent to defraud the employee, the employee is entitled to an additional award of the wages due.

The Department of Labor and Industry (DOLI) payment of wage collections are mostly for small claims that average \$150. While a small number of these claimants will pursue the wage claim on their own, DOLI anticipates that the agency will still receive and enforce the same number of complaints for collection. Larger claims for which DOLI has limited resources to pursue would be handled by private attorneys directly on behalf of the affected employee. It is anticipated that any expenditure impact to DOLI can be absorbed with existing resources.

It is anticipated that any expenditure impact to the court system can be absorbed with existing resources.

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

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is similar to HB551.