

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: HB1924

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Hope

3. Committee: Commerce and Energy

4. Title: Minimum wage; employees with disabilities.

5. Summary: Provides that individuals with disabilities that are paid at subminimum wage pursuant to the federal Fair Labor Standards Act are employees for the purposes of the Virginia Minimum Wage Act. The bill requires every employer of such employees to pay such employees wages at a rate not less than (i) from July 1, 2023, until July 1, 2024, \$9.50 per hour; (ii) from July 1, 2024, until July 1, 2025, \$10.50 per hour; and (iii) from July 1, 2025, until July 1, 2026, \$11.50 per hour. The bill requires that from and after July 1, 2026, every employer of such employees pay such employees at a rate equivalent to all other employees covered by the Virginia Minimum Wage Act.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Preliminary

8. Fiscal Implications: The Department of Labor and Industry is responsible for enforcing the Virginia Minimum Wage Act. The Department anticipates that it can absorb any increase in claims resulting from this bill with existing resources.

The Department for Aging and Rehabilitative Services (DARS) reports that this bill is not expected to have any significant fiscal impact on agency programs or operations. All DARS clients and workers are currently employed at or above the minimum wage. It should be noted that DARS is currently required to provide general fund support to employment service organizations outside of the vocational rehabilitation program. While the provisions of this bill may have an impact on any of these employers that pay below minimum wage, there would be no added cost to DARS.

The Department for the Blind and Vision Impaired reports that all agency clients and workers are currently employed at or above the minimum wage. As such, the provisions of this bill are not expected to have a fiscal impact.

Employers who knowingly violate the law are subject to a fine of between \$10 and \$200. Revenue from these fines is deposited into the Literary Fund. Because the number of violations is unknown, the amount of revenue is indeterminate.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Labor and Industry, Department for Aging and Rehabilitative Services, Department for the Blind and Vision Impaired

- 10. Technical Amendment Necessary:** No

- 11. Other Comments:** None