

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: SB421

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

2. Patron: Wexton

3. Committee: Commerce and Labor

4. Title: Paid medical leave; civil penalties.

5. Summary: Requires private employers with 50 or more employees to give to each full-time employee paid medical leave. Paid medical leave would accrue at a rate of no less than one hour for every 50 hours worked in 2019. In 2020 and subsequent years, paid medical leave would accrue at a rate of no less than one hour for every 30 hours worked. Paid medical leave accrues at different rates for an employer that commences its business operations after January 1, 2019. An employee would be entitled to use accrued medical leave beginning on the ninetieth calendar day of employment. The bill would require an employer to provide paid medical leave, upon the request of the employee, for diagnosis, care, or treatment of health conditions of the employee or the employee's family member. The bill would prohibit an employer from discriminating or retaliating against an employee who requests paid medical leave. The bill would require employers to satisfy specified posting and notice and recordkeeping requirements and would require the Commissioner of Labor and Industry (Commissioner) to administer and enforce these requirements and to investigate alleged violations of these requirements. The bill would authorize the Commissioner to impose specified civil penalties for violations. The Commissioner would be authorized to bring an action to recover specified civil penalties against an offender. The Commissioner would also be able to recover attorney fees of one-third of the amount set forth in the final order or judgment. The measure would not apply to employees covered by a collective bargaining agreement that provides for paid medical leave, nor would it lessen any other obligations of the employer to employees.

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

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

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	0	0	n/a
2019	\$253,321	5.0	GF
2020	\$506,642	5.0	GF
2021	\$506,642	5.0	GF
2022	\$506,642	5.0	GF
2023	\$506,642	5.0	GF
2024	\$506,642	5.0	GF

- 8. Fiscal Implications:** The above state expenditure impact reflects the bill's anticipated impact to the Department of Labor and Industry (DOLI).

The bill requires DOLI to begin enforcing paid medical leave beginning January 1, 2019. DOLI would need four additional officer positions to conduct inspections and one assistant compliance officer to assist and support the inspection activities. Currently, there is no law on paid medical leave in Virginia.

Based on the number of payment of wage claims DOLI receives (1,250) and the number of minimum wage claims the federal Wage and Hour Division conducts in the state (750), DOLI anticipates it will receive between 600 to 900 paid medical leave claims annually. In order to meet this workload, DOLI will need five additional staff to enforce paid medical leave. The DOLI impact is for regulatory enforcement of the bill.

The fiscal impact to the Office of the Attorney General is indeterminate.

Any revenue impact that may result from this bill is indeterminate. The bill establishes a civil penalty of up to \$1,000 for each violation. Civil penalties imposed and collected pursuant to this bill would be deposited to the general fund. Any revenue would depend on the number of employers who knowingly fail to provide paid medical leave to their employees and the amount of any civil penalties imposed for such violations.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Labor and Industry; Office of the Attorney General.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** None.