

## **Department of Planning and Budget 2020 Fiscal Impact Statement**

**1. Bill Number:** SB894

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

**2. Patron:** Saslaw

**3. Committee:** Commerce and Labor

**4. Title:** Misclassification of workers; cause of action.

**5. Summary:** This bill authorizes an individual who has not been properly classified as an employee to bring a civil action for damages against his employer for failing to properly classify the employee if the employer had knowledge of the individual's misclassification. The court may award damages in the amount of any wages, salary, employment benefits, including expenses incurred by the employee that would otherwise have been covered by insurance, or other compensation lost to the individual, a reasonable attorney fee, and the costs incurred by the employee in bringing the action. The measure provides that an individual who performs services for a person for remuneration shall be presumed to be an employee unless it is shown that the individual is an independent contractor as determined under the Internal Revenue Service guidelines.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary, see item 8.

**8. Fiscal Implications:** The Department of Labor and Industry (DOLI) indicates that it does not have enforcement responsibilities associated with this bill. However, the agency anticipates that this bill will result in a workload impact related to fielding calls regarding the requirements provided in the bill, which can be absorbed.

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

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.