

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 359** SLS 14RS 818

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 2, 2014 4:14 PM	Author: DONAHUE
Dept./Agy.: Workforce Commission	Analyst: Patrice Thomas
Subject: Limits Penalty For Failure To Pay Wages	

EMPLOYMENT OR NO IMPACT See Note Page 1 of 1
Limits penalty for failure to pay wages. (8/1/14)

Present law provides that any employer that fails or refuses to pay wages to a former employee shall be liable to that employee for unpaid wages as well as reasonable attorney fees of the employee's attorney. Proposed law creates a good faith exception to present law if the employer disputes the amount of wages due. Under the proposed law, when an employer disputes in good faith the amount of wages due and is subsequently found by the court to owe the amount in dispute, the employer shall be liable only for the amount of wages in dispute plus judicial interest incurred from the date that the suit is filed. If the employer was in good faith, the employer will not be liable for the penalty wages. Proposed law is effective 08/01/2014.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

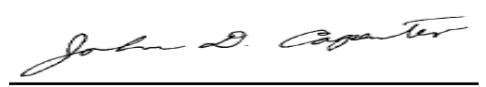
EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed legislation creates a good faith exception for employers that dispute wages due to an employee. If the employer is found by a court to owe the amount of wages in dispute, the employer is not liable for penalty wages. Any penalty wages are awarded by the court is due to the employee.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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|---|--|--------------------------------|---|
| <input type="checkbox"/> Senate | <input type="checkbox"/> Dual Referral Rules | <input type="checkbox"/> House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} | | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | | |


John D. Carpenter
Legislative Fiscal Officer