

**LEGISLATIVE FISCAL OFFICE**  
Fiscal Note



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

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 28, 2014 8:11 AM	<b>Author:</b> DONAHUE
<b>Dept./Agy.:</b> Workforce Commission	<b>Analyst:</b> Patrice Thomas
<b>Subject:</b> Limits Penalty For Failure To Pay Wages	

EMPLOYMENT

RE NO IMPACT See Note

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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 and the court determines the dispute was in good faith, 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 provide that if the court determines the dispute was not in good faith, the employer shall be subject to 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	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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 determined by a court 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 and the dispute was determined to be in good faith, 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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|---|----------------------------|--------------|--|
| <u>Senate</u>   | <u>Dual Referral Rules</u> | <u>House</u> | <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**