

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6263**

**BILL NUMBER:** HB 1046

**NOTE PREPARED:** Nov 30, 2023

**BILL AMENDED:**

**SUBJECT:** Wage History and Wage Range.

**FIRST AUTHOR:** Rep. Errington

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** The bill prohibits, with certain exceptions, an employer from relying on the wage history of an applicant in the hiring process and in determining wages. It prohibits an employer from failing or refusing to: (1) disclose the wage or wage range and a general description of benefits in a posting for a job, promotion, transfer, or other employment opportunity; and (2) provide an employee with the current wage or wage range and a general description of the benefits upon hire, promotion, transfer, and the employee's request.

The bill also prohibits an employer from retaliating against an applicant under the wage history provisions and an applicant or employee under the wage range provisions. It provides that an applicant or employee may file a complaint alleging a violation with the Department of Labor (DOL), or the DOL on its own may initiate an investigation and file a complaint alleging a violation. It also sets forth civil penalties for a violation.

The bill requires the department to provide a list of employers that have four or more violations to the Office of the Chief Equity, Inclusion, and Opportunity Officer (Office). It requires the Office to post the list on the equity data portal.

**Effective Date:** July 1, 2024.

**Explanation of State Expenditures:** The DOL would experience increased workload and/or expenditures to collect and investigate claims of wage range and wage inquiry violations and to collect civil penalties. If employers are largely compliant, and the DOL limits enforcement activities to receiving and responding to complaints about violations, the agency could likely provide enforcement within current resources. The bill allows the DOL to initiate investigations. More proactive enforcement or large numbers of violations may

require additional staff and resources. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

State agencies as employers could experience increased expenditures if they violate provisions of the bill and are required to pay civil penalties. State employers may need to change hiring practices to comply with the bill by providing information on the salary range of a position during the hiring process and avoid inquiring into prospective employees' wage history. This bill has the potential to impact all agencies as employers, thus impacting all funds that provide operating funds to agency staff.

*Additional Information* - The DOL will report on violations which will be posted online by the office of the Chief Equity, Inclusion, and Opportunity Officer.

**Explanation of State Revenues:** The bill could increase state General Fund revenues if civil penalties are collected from employers who violate provisions of the bill. Offending employers receive a warning for the first violation, a civil penalty of \$100 for the second violation, and a civil penalty of \$500 for the third and subsequent violations.

**Explanation of Local Expenditures:** Local units as employers could experience increased expenditures if they violate provisions of the bill and are required to pay civil penalties. The bill may require local units to change hiring practices.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Labor; Office of the Chief Equity, Inclusion, and Opportunity Officer; state agencies as employers.

**Local Agencies Affected:** Local units as employers.

**Information Sources:**

**Fiscal Analyst:** Camille Tesch, 317-232-5293.