

Department of Planning and Budget 2023 Fiscal Impact Statement

1. **Bill Number:** SB1136

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. **Patron:** Boysko

3. **Committee:** Passed the Senate

4. **Title:** Wage or salary history inquiries prohibited; civil penalty.

5. **Summary:** Prohibits a prospective employer from (i) seeking the wage or salary history of a prospective employee; (ii) relying on the wage or salary history of a prospective employee in determining the wages or salary the prospective employee is to be paid upon hire; (iii) relying on the wage or salary history of a prospective employee in considering the prospective employee for employment; (iv) refusing to interview, hire, employ, or promote a prospective employee or otherwise retaliating against a prospective employee for not providing wage or salary history; (v) failing or refusing to provide a prospective employee the wage or salary range for the position for which the prospective employee is applying prior to discussing compensation and at any time upon the prospective employee's request; and (vi) failing to set a wage or salary range in good faith. The bill establishes a cause of action for an aggrieved prospective employee or employee and provides that an employer that violates such prohibitions is liable to the aggrieved prospective employee or employee for statutory damages between \$1,000 and \$10,000 or actual damages, whichever is greater; reasonable attorney fees and costs; and any other legal and equitable relief as may be appropriate. The bill also provides for civil penalties for violations not to exceed \$1,000 for a first violation, \$2,000 for a second violation, and \$4,000 for a third or subsequent violation.

6. **Budget Amendment Necessary:** No

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

8. **Fiscal Implications:** The Department of Labor and Industry anticipates an indeterminate increase in caseload as a result of this bill. If the bill generates a significant number of complaints, the Department may need to hire additional staff to notify employers, conduct investigations, and determine and collect penalties.

Employers who violate this bill would be subject to civil penalties of up to \$1,000 for initial violations; \$2,000 for second violations; and \$4,000 for subsequent violations. The revenue from these fines would be deposited into the Literary Fund. Because the number of violations cannot be predicted, the fiscal impact is indeterminate.

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

10. Technical Amendment Necessary: No

11. Other Comments: HB 2023 also addresses wage history inquiries by prospective employers.