

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$107,948		\$76,964	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$107,948		\$76,964	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 1028 amends provisions of the Wage and Hour Act.

Section 4 requires employers of persons compensated by way of gratuities to keep a record, for not less than three years, of each employee's:

- Name, address, and occupation;
- Rate of pay;
- Amount of pay received each pay period; and
- Hours worked each day and each workweek

Section 5 allows for employees who have a reasonable belief that an employer is in violation of the Act to submit a complaint to the Department of Labor (DOL). DOL shall forward complaints it determines to be credible to the appropriate county attorney or take its own enforcement actions as the Commissioner of Labor deems appropriate. DOL shall develop forms and adopt and promulgate rules and regulations as necessary.

The Department of Labor estimates that a new electronic claim form will be needed to address the provisions of LB 1028. Additionally, due to an anticipated increase in wage complaints, one new Labor Law Specialist would be required. This work is outside the scope of any current Federal Funding and is therefore attributed to the General Fund. There is no basis to disagree with DOL's estimates

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1028	AM:	AGENCY/POLT. SUB: Department of Labor
REVIEWED BY: Patrick Redmond	DATE: 1/28/2022	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Department of Labor assessment of fiscal impact from LB 1028.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1028	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Patrick Redmond	DATE: 2/10/2022	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Department of Revenue assessment of no fiscal impact from LB 1028.		

Please complete ALL (5) blanks in the first three lines.

2022

LB⁽¹⁾ 1028

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Labor

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 01/24/2022 Phone: ⁽⁵⁾ 402-416-6809

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>107,947.50</u>	<u> </u>	<u>76,963.74</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>107,947.50</u>	<u> </u>	<u>76,963.74</u>	<u> </u>

Explanation of Estimate: Nebraska Department of Labor (NDOL) estimates that a new electronic claim form will be needed for this additional claim type. The work would require up to 7 pay periods for an IT application developer. Approximately 2% of the workforce are tipped restaurant workers. Based on this figure, NDOL anticipates an increase of 35 wage complaints per year and a corresponding increase in referrals for prosecution. The increased claims and prosecution referral workload would require one additional Labor Law Specialist. Since this is outside the scope of any current federal funding, state general funds would be needed to support the staff.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
IT Application Developer	<u>.3</u>	<u> </u>	<u>20,645.24</u>	<u> </u>
Labor Law Specialist	<u>1.0</u>	<u>1.0</u>	<u>47,228.90</u>	<u>48,173.48</u>
Benefits.....	<u> </u>	<u> </u>	<u>22,676.13</u>	<u>16,094.32</u>
Operating.....	<u> </u>	<u> </u>	<u>16,197.24</u>	<u>11,495.94</u>
Travel.....	<u> </u>	<u> </u>	<u>1,200</u>	<u>1,200</u>
Capital outlay.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Aid.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital improvements.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL.....	<u> </u>	<u> </u>	<u>107,947.50</u>	<u>76,963.74</u>

State Agency Estimate

State Agency Name: Department of Revenue
Approved by: Tony Fulton

Date Due LFO:
Phone: 471-5896

Date Prepared: 2/9/2022

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$ 0		\$ 0		\$ 0

LB 1028 amends the Wage and Hour Act, to define terms, to clarify language regarding compensation for tipped employees; to provide duties for employers; to change powers and duties of the Department of Labor and the Commissioner of Labor; to prohibit acts and provide a penalty; to provide for liquidated damages; to provide for complaints; to harmonize provisions; and to repeal the original sections.

LB 1028 would require every employer of persons compensated by gratuities to keep for three years a record of each employee’s name, address, occupation; rate of pay, amount of pay received each pay period; and hours worked each day and each workweek. An employer must not refuse to make any record available to the Commissioner of Labor.

It is estimated that this bill will no impact on the General Fund revenues.

It is estimated that there will be no costs to the Department of Revenue to implement this bill.

The operative date for this bill is three months after adjournment.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>22-23</u> <u>FTE</u>	<u>23-24</u> <u>FTE</u>	<u>24-25</u> <u>FTE</u>	<u>22-23</u> <u>Expenditures</u>	<u>23-24</u> <u>Expenditures</u>	<u>24-25</u> <u>Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							