

# OFFICE OF FISCAL ANALYSIS

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sSB-421

AN ACT CONCERNING STANDARD WAGES.

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## **OFA Fiscal Note**

### **State Impact:**

| Agency Affected               | Fund-Effect                 | FY 23 \$ | FY 24 \$ |
|-------------------------------|-----------------------------|----------|----------|
| Resources of the General Fund | GF - Potential Revenue Gain | Minimal  | Minimal  |

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The bill, which requires contractors covered by the standard wage law to offer a standard rate of paid leave and expands associated civil penalties for violations, results in a potential cost to the state and a potential minimal revenue gain from civil penalties to the extent there are violations found.<sup>1</sup>

To the extent the bill results in additional costs for contractors on covered state contracts there is a potential cost to the state, the magnitude of which is dependent on the size and scope of those contracts. There is no fiscal impact to municipalities as the bill's provisions pertain only to businesses that contract with state agencies.

### **The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future.

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<sup>1</sup> The bill specifies that each pay period in which an employee is not paid the required standard wage rate is a separate offense, subject to a \$2,000 to \$5,000 fine.