OFFICE OF FISCAL ANALYSIS

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SB-418
AN ACT CONCERNING WAGE THEFT.
AMENDMENT

LCO No.: 5008
File Copy No.: 253
Senate Calendar No.: 204

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 $	FY 24 $
Labor Dept.	GF - Cost	None	57,493
State Comptroller - Fringe Benefits[1]	GF - Cost	None	21,275
Labor Dept.	GF - Revenue Gain	None	Up to 500,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The amendment strikes the underlying bill and associated fiscal impact.

The amendment would require the Department of Labor (DOL) to issue citations to, and allow the agency to levy fines against, contractors and subcontractors who violate the state's prevailing wage. This results in: 1) a cost to DOL estimated at $78,768 beginning in FY 24, and 2) a potential General Fund revenue gain from fines estimated at up to

[1]The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.53% of payroll in FY 23.

Primary Analyst: CW 4/20/22
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$500,000 beginning in FY 24.[2]

It is anticipated that DOL would require one part-time Staff Attorney in order to accommodate additional administrative hearings at an annualized cost of $73,768 ($52,493 for salary and $21,275 for fringe benefit costs), including $5,000 in associated overhead costs (computer, office supplies, etc.).

[2] Under current law, the labor commissioner may issue fines ranging from $2,500 to $5,000 per violation; the amendment establishes a flat rate of $5,000 per violation. Consequently, the revenue gain is dependent on how many violations would be assessed at an amount lower than $5,000.