

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6397

BILL NUMBER: HB 1267

NOTE PREPARED: Dec 22, 2005

BILL AMENDED:

SUBJECT: Wage Assignment and Wage Payment.

FIRST AUTHOR: Rep. Borror

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill permits a wage assignment for payment for: (1) certain uniforms; and (2) tools and portable equipment. It increases from \$800 to \$3,000 the amount of the maximum wage claim for which the Commissioner of the Department of Labor may take an assignment.

The bill repeals and relocates language making it a Class C infraction for an employer to sell merchandise or supplies to an employee for a price higher than to the public.

This bill repeals a chapter concerning the regulation of wage payments, which includes: (1) a provision requiring an employer to pay employees in commercial paper; (2) a duplicate provision concerning frequency of wage payments; (3) a provision containing outdated language concerning liens of laborers; and (4) language in conflict with other law concerning the later payment of wages.

The bill requires an employer to make payment to an employee, semimonthly or biweekly, for all wages earned to a date not more than ten business days before the date of payment. It specifies that if an employee has left employment voluntarily and the employer does not know the whereabouts or address of the employee, the employer is not subject to payment of liquidated damages for the failure to pay wages timely until: (1) ten business days have elapsed after the employee has made a demand for the wages; or (2) the employee has given the employer the employee's address. (Current law: (1) requires payment to be made for wages earned to a date not more than ten days prior to the date of payment; and (2) provides that if the employee's whereabouts are unknown, the employer is not subject to payment of liquidated damages until the address has been furnished or ten days have elapsed after the employee has made a demand for the wages due.)

Effective Date: July 1, 2006.

Explanation of State Expenditures: The impact on the state and local governments would be as an employer and should be a minor impact, if any. Increasing to \$3,000 from \$800 the amount of the maximum wage claim for which the Commissioner of the Department of Labor may take an assignment could increase the administrative costs of the Department of Labor. The increase in costs would probably be minor.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.