Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2016 Regular Session

Part I: Measure Information

Bill Request #: 1984
Bill #: HB 617
Bill Subject/Title: AN ACT relating to earned paid sick leave.
Sponsor: Representative Mary Lou Marzian
Unit of Government: X City X County Urban-County Unified Local
Charter County X Consolidated Local X Government
Office(s) Impacted: All of them
Requirement: X Mandatory Optional
Effect on Powers & Duties: X Modifies Existing X Adds New Eliminates Existing

Part II: Purpose and Mechanics

HB 617 creates a new section of KRS Chapter 337 requiring employers to provide earned paid sick leave to employees; provides that employees earn paid sick leave upon the date of hire and can use the leave after being employed for 90 days; sets forth allowable uses of earned paid sick time; designates how notice of need to use sick time is provided by employees and amends KRS 337.990 to establish a penalty for employers that fail to follow requirements of Act.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The fiscal impact of HB 617 on local government is expected to be minimal to moderate.

HB 617 would require local governments with employees to provide sick leave time for all employees, including, by implication, seasonal, temporary, and/or part-time employees. The Kentucky League of Cities (KLC) submits that, while most cities provide sick leave time (or paid time off) to full-time employees in excess of what would be required by HB 617, they do not provide this benefit to seasonal, temporary, or part-time employees. Reportedly, around 2,000 part-time employees were employed in cities on

July 1, 2015, so there would be some amount of cost associated with providing sick leave time to these employees.

KLC states that the biggest issue may relate to record keeping and policy changes to comply. Cities may need to redo their personnel policies and employee handbook to ensure compliance, which would need to be reviewed and approved by their city attorney. KLC further states that some cities have tried to implement excessive absence policies, which may be preempted by this legislation and the bill would likely lead to additional legal complaints, which would cost cities money to process.

Data Source(s): Kentucky League of Cities

Preparer: John V. Ryan **Reviewer:** JWN **Date:** 3/18/16