

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2018 Regular Session**

Part I: Measure Information

Bill Request #: 851

Bill #: HB 184

Document ID #: 2055

Bill Subject/Title: AN ACT relating to state and federal wage and hour law conformity.

Sponsor: Representative Adam A. Koenig

Unit of Government: City County Urban-County
 Charter County Consolidated Local Unified Local
 Government

Office(s) Impacted: all offices with employees

Requirement: Mandatory Optional

Effect on

Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 184 would amend Kentucky's wage and hour laws at KRS Chapter 337 to conform to the federal Fair Labor Standards Act (FLSA).

Section 1 of the bill would exempt from the provisions of Chapter 337 an employer that is covered by the FLSA when the federal act imposes comparable or greater requirements than does KRS Chapter 337. In other words, whichever requirements – state or federal - are higher or more stringent, would apply. To be exempted from application of state law the employer must also notify the Department of Workplace Standards that the employer is covered by the FLSA. Local governments, as employers, are covered by the FLSA and would be exempted from application of state wage and hour laws where the FLSA applied, but only if the federal law was comparable to the state law, or was more stringent, and only if the employer has notified the Department of Workplace Standards.

Section 3 of the bill would establish a 2 year statute of limitations for an employee, or the Department of Labor on the employee's behalf, to bring a lawsuit in state court to recover

unpaid wages and damages against an employer for violating Chapter 337; the limitations period would be 3 years if the employer violation was willful.

The fiscal impact of HB 184 on local governments would be nil to minimal.

Since political subdivisions of state governments (city and county governments) are subject to the FLSA, they would simply have to file a statement with the Kentucky Department of Workplace Standards that they are so covered, which would be of minimal cost. Limiting the time period to 2 or 3 years in which a complaining employee or the Department of Labor may bring court action against an employer for violations could represent an indeterminable savings to local governments as employers. A statute of limitations of 5 years might otherwise apply to such actions, which means a complainant would have more time to bring a complaint in state court against a local government employer.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II pertains to the bill as introduced and there are no prior introduced versions of the bill.

Data Source(s): LRC staff

Preparer: Mary Stephens **Reviewer:** KHC **Date:** 1/31/18