Local Government Mandate Statement Kentucky Legislative Research Commission 2020 Regular Session

Part I: Measure Information

Bill Request #: 316							
Bill #: HB 121							
Document ID #: <u>560</u>							
Bill Subject/Title: AN ACT relating to employment schedules.							
Sponsor: Representative Joni Jenkins							
Unit of Government:XCityXCountyXUrban-CountyXCharter CountyXConsolidated LocalXGovernment							
Office(s) Impacted: Offices employing persons defined in the Act as employees and not falling in one of the exceptions.							
Requirement: <u>X</u> Mandatory Optional							
Effect on Powers & Duties: X Modifies Existing X Adds New Eliminates Existing							

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

HB 121 would require that employers of persons in certain businesses give written notice to employees of their work schedules and of changes in work schedules.

Section 1 of the bill would exclude a wide range of workers from the definition of "employee" and so excuse their employers from complying with the bill's requirements. Those excluded workers include agricultural workers, executive, administrative and professional workers, domestic servants, employees of certain nonprofits, disabled workers, and employees of some small businesses whose average annual gross volume of sales made for business done is less than \$95,000 for the 5 preceding years, and other workers.

Section 2 would require that an employer provide new employees with a written estimate of their work schedule including the number of hours the employee can expect to work in an average month, in the language the employer typically uses to communicate with the employee.

Section 3 would require an employer maintain a "standby" list of employees who may be asked to work additional hours and would establish the conditions allowing an employer to request an employee work additional hours. The employer shall notify employees in writing that the standby list is voluntary and they are not required to accept additional hours.

Section 4 would require that employers post an employee's written work schedule at least 7 calendar days before the first day of the schedule, in a conspicuous location, in English and in the language the employer typically uses to communicate with the employee. An employee may decline to work a shift not included in the employee's written schedule.

Section 5 would establish required rest periods following a work shift during which an employee may not be required to work, and would require that an employer compensate an employee for each hour or portion of an hour the employee works during a rest period at 1.5 times the employee's regular rate of pay.

Section 7 would require that an employer pay an employee, in addition to regular pay, an extra hour's pay if the employer, without notice, increases the number of hours an employee shall work or changes the start or end time of a shift with no loss of hours. An employer shall pay the employee $\frac{1}{2}$ the employee's regular pay for hours **not** worked if the employer, without notice, takes action resulting in reduced work hours for an employee. Section 7 establishes exceptions to the extra compensation requirements.

Section 9 would establish a civil penalty of \$500 to \$2000 for violation of HB 121.

HB 121 would likely have a **minimal negative fiscal impact on local governments**. In work places impacted there would likely be additional administrative costs for record keeping, posting of information, perhaps for dealing with an increase in labor complaints, paying fines, and personnel costs (paying time-and-a-half in instances when overtime would not otherwise be applicable, paying overtime due to a lack of available standby employees, paying ¹/₂ wages for hours not worked). Treating employees in the identified work places different from other local government employees could lead to unforeseen difficulties.

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

Part II, above, pertains to the bill as introduced.

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Preparer:	Mary Stephens	Reviewer:	KHC	Date:	1/7/20