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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/01/13  
 SPONSOR Herrell LAST UPDATED 02/27/13 HB 288/aHJC  
 SHORT TITLE Wage Claim Action Court Costs SB \_\_\_\_\_  
 ANALYST Aledo-Sandoval

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>WSD Total</b>		(\$15.0)	(\$15.0)	(\$30.0)	Recurring	General Fund
<b>AOC Total</b>		\$15.0	\$15.0	\$30.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)

Workforce Solutions Department (WSD)

### SUMMARY

#### Synopsis of HJC Amendment

The House Judiciary Committee amendment to House Bill 288 makes a minor technical change to clarify that the Director of the Labor Relations Division is entitled to free service of process.

#### Synopsis of Original Bill

House Bill 288 amends the Employment Law Act to exempt the Director of the Labor Relations Division (LRD) of the Workforce Solutions Department (WSD) from paying court costs or filing fees when the Director brings a wage claims action.

### FISCAL IMPLICATIONS

According to the WSD, the agency will save approximately \$15 thousand a year in court filing fees.

The AOC states that there are very few cases filed by the state on behalf of unpaid workers. The AOC anticipates a very slight decrease in revenues for the courts.

**SIGNIFICANT ISSUES**

The WSD notes that the LRD is tasked with evaluating whether allegations of wage theft are supported by probable cause. Wage claims arise in a variety of circumstances, such as when an employer is paying employees lower than the minimum wage, or when an employer willfully or otherwise fails to pay an employee for wages earned. If the Division concludes that there is probable cause, the administrator may bring the wage claim on the employee’s behalf in metropolitan court. The Division is not funded to pay court filing fees and process fees. Historically, courts waived court fees for the Division. Recently, however some courts have begun requiring the LRD to pay a \$77 civil docketing fee per case filed.

**OTHER SUBSTANTIVE ISSUES**

According to the AOC, the reference to “free process” in the statute is not a phrase that is universally understood by every court clerk in the state, so some of them insist that the state pay copying charges, filing fees or similar costs. Although the existing law can be read to already exempt the state from paying these costs and fees, this bill clarifies that the state does not have to pay court costs or filing fees.

MAS/blm:svb