

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6700
BILL NUMBER: SB 306

DATE PREPARED: Dec 17, 1999
BILL AMENDED:

SUBJECT: Employee lunch and rest breaks.

FISCAL ANALYST: Beverly Holloway
PHONE NUMBER: 232-9851

FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires an employer to give an employee a lunch period of not less than thirty minutes if the employee is scheduled to be on duty for six hours or more. It provides that if an employee works more than 12 consecutive hours, the employee must be given the opportunity for another lunch break.

This bill also requires an employer to provide a paid rest break of ten minutes to an employee who has been on duty for two or more hours.

The rest and lunch breaks do not apply when the employer has only one employee on duty during a period. The terms of a negotiated collective bargaining agreement, settlement agreement, or bona fide agreement between an employee and employer are not affected by the provisions of this bill.

This bill provides that a violation is a Class C infraction and that each time a person is in violation a separate infraction is committed.

Effective Date: July 1, 2000.

Explanation of State Expenditures: This bill requires an employer to provide and an employee who has been on duty for two or more continuous hours with a paid rest break of ten minutes. This provision pertains to all government employees who are not a part of a negotiated collective bargaining agreement or settlement agreement. Approximately 12,000 state employees would be eligible under the work break provision of this bill. The State Department of Personnel does not have an established policy for employee work breaks. The work hours, including rest breaks, for state employees are set by each employing state agency. The impact of this legislation is indeterminable and dependent on the number of state agencies that currently do not have a work break policy. If a state agency does not have a work break policy, the impact would be approximately the cost of 2.5 hours per eligible employee for breaks minus any gains in productivity realized due to the

work breaks.

The lunch break provision of this bill does not apply to the state.

Explanation of State Revenues: A person who violates the provisions of this bill commits a Class C infraction. If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class C infraction is \$500 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. Seventy percent of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures: The lunch and work break provisions of this bill pertain to all local government employees including police officers, firefighters, and other employees working on alternative schedules. This bill does not impact those employees covered by a negotiated collective bargaining agreement or settlement agreement. The impact of this legislation is indeterminable and dependent on the number of local units of government who currently do not have a lunch and/or work break policy. If a local unit of government does not have a lunch and/or work break policy, the impact would be approximately the cost of five hours per week (2.5 hours for lunch breaks/week; 2.5 hours for rest breaks/week) per eligible employee for breaks minus any gains in productivity realized due to the lunch and/or work breaks.

Explanation of Local Revenues: If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: All.

Local Agencies Affected: All; Trial courts; Local law enforcement agencies.

Information Sources: Keith Beesley, Attorney, State Department of Personnel, (317) 232-3062.