

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

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7529**

**BILL NUMBER:** HB 1367

**DATE PREPARED:** Mar 29, 2001

**BILL AMENDED:** Mar 29, 2001

**SUBJECT:** Child Employee Rest Breaks.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill provides that the limitation on employment of children does not apply to children employed by a parent or a person standing in place of a parent, except for provisions concerning underage employment, employment during school hours, and employment in hazardous occupations designated by federal law. The bill requires an employer to give a child a rest break of at least 30 minutes if the child is scheduled to work at least six consecutive hours. It exempts camps operated by nonprofit groups from the rest break requirement. The bill provides that the rest break must be available to the child during the time beginning three hours after and ending five hours after the child begins the child's period of duty. The bill provides certain exceptions to the requirement of a rest break.

The bill provides that the Department of Labor may assess a civil penalty for violations of the rest break requirement.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** (Revised) This bill may increase the administrative and inspection burden of the Department of Labor. However, any additional costs are expected to be absorbed using the Department's existing personnel and resources. The Department of Labor currently employs four child labor inspectors.

Most state agencies do not employ individuals under the age of 18. An exception is the Department of Natural Resources which often employs younger workers for certain positions within the state park system (for example, lifeguards and gate attendants). Since state park employees currently provide the rest breaks specified in this bill, the bill's impact on state employees would be negligible.

**Explanation of State Revenues:** *Department of Labor:* This bill allows for the assessment of a civil penalty for noncompliance. The civil penalty for a violation of this provision is \$100 per instance for each violation

identified following the initial inspection. A civil penalty of \$200 per instance can be assessed for a third violation and a \$400 civil penalty can be assessed for the fourth or subsequent violation. Civil penalties are deposited in the Employment of Youth Fund. In FY 2000, \$31,091 in civil penalties were deposited in this fund.

Depending on the compliance rate, this bill could increase the amount of civil penalties assessed and deposited in the Employment of Youth Fund. Half of the Fund is used for educating affected parties on the purpose and content of child labor laws. The other half of the Fund is used for the hiring and salaries of additional inspectors to enforce child labor laws.

**Explanation of Local Expenditures:** Local entities who employ individuals under the age of 18 may also be affected by this bill. Any impact on these entities is expected to be negligible.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:** Pete Rimsans, Department of Labor, (317) 233-9351; Keith Beesley, Department of Personnel, (317) 232-3062.