

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7657**

**BILL NUMBER:** HB 1684

**NOTE PREPARED:** Feb 19, 2003

**BILL AMENDED:** Feb 18, 2003

**SUBJECT:** Employee Protections.

**FIRST AUTHOR:** Rep. Liggett

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill requires an employer that provides an enclosed employee lounge or break room: (1) to designate and post it as a nonsmoking area; and (2) to provide at least the same number of enclosed nonsmoking employee lounges or break rooms as those in which smoking is permitted. It provides for civil penalties for: (1) a person who smokes in an enclosed employee lounge or break room that is posted and designated as a nonsmoking area; or (2) an employer who fails to furnish nonsmoking areas in the manner prescribed. The bill permits an employee to bring a civil action against a private employer that disciplines or terminates the employee for reporting violations of federal, state, or local laws. It also makes it unlawful to discriminate based on marital status or sexual preference. The bill redefines "employer" for discrimination claims to include a person employing at least one person in Indiana.

**Effective Date:** July 1, 2003; January 1, 2004.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) *Break Room:* The bill does not require an employer to provide a break room or employee lounge, but if one is provided, it must be designated as nonsmoking. If the employer does not provide enough nonsmoking rooms, then the employer is subject to a Class A infraction. If more than one room is provided, then there must be at least as many nonsmoking rooms as rooms that allow smoking. Smoking in a nonsmoking room is subject to a Class B infraction. If the person has at least 3 previous violations, then the action becomes a Class A infraction.

*Termination and Discipline of Employees:* The bill permits an employee to bring a civil action against a

private employer that disciplines or terminates the employee for reporting violations of federal, state, or local laws. It also permits an employee to bring a civil action against a former employer when the employee is discharged for other than just cause. The impact is unknown and would depend on the number of civil actions created. The state impact is probably small.

*Discrimination:* The bill makes it unlawful to discriminate based on marital status or sexual preference. The bill may increase state costs in investigating discrimination. The impact is unknown.

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 A infraction is \$10,000 and \$1,000 for a Class B infraction. These judgments are deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% 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:**

**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:** Department of Labor; Department of Workforce Development, Department of Personnel.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

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