



151st GENERAL ASSEMBLY
FISCAL NOTE

BILL: SENATE SUBSTITUTE NO. 1 For SENATE BILL NO. 35
SPONSOR: Senator Walsh
DESCRIPTION: AN ACT TO AMEND TITLE 11 AND TITLE 19 OF THE DELAWARE CODE RELATING TO LABOR.

Assumptions:

1. This Act becomes effective upon signature by the Governor.
2. This Act defines specific violations of wage payment and provides penalties for violations, including a new criminal offense of wage theft, with a mechanism for the Department of Labor (DOL) to refer completed investigations to the Department of Justice (DOJ) for prosecution.
3. This Act expands upon the duties and powers of the DOL, Division of Industrial Affairs. Recurring annual personnel costs are estimated at \$220,530, and one-time costs are \$110,000. The Fiscal Year 2023 costs are estimated at \$382,614.
 - a. \$220,530 in Personnel Costs, including Other Employment Costs (OECs), for 2.0 FTE, Labor Law Enforcement Officers, and 1.0 FTE, Administrative Assistant III.
 - b. \$110,000 for one-time contractual costs for new employee equipment and supplies, as well as education and marketing to employers.
4. The DOJ, Fraud & Consumer Protection Division, White Collar Crime Unit, anticipates the need for personnel to prosecute cases of wage theft. The Fiscal Year 2023 costs are estimated at \$107,577.
 - a. \$215,155 in Personnel Costs, including OECs, for 1.0 FTE, Deputy Attorney General V, and 1.0 FTE, Legal Assistant II.
5. Fiscal Year 2023 personnel costs for the DOL have been estimated for 9-months of funding, with the annualization of the remaining 3-months incorporated into subsequent year estimates. Fiscal Year 2023 personnel costs for the DOJ have been estimated for 6-months of funding, with the annualization of the remaining 6-months incorporated into subsequent year estimates. Additionally, a 2% inflation cost has been included for projected increases in salary, health insurance, and OECs.
6. This Act will result in additional revenue by introducing civil penalties imposed. Civil penalties collected are payable to the DOL and will be used for administration and enforcement.

Cost:

| | One-time | Ongoing General Fund |
|-------------------|-----------------|-----------------------------|
| Fiscal Year 2023: | \$110,000 | \$272,614 |
| Fiscal Year 2024: | | \$444,398 |
| Fiscal Year 2025: | | \$453,286 |

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Office of the Controller General