

Fiscal Estimate Narratives

DWD 2/14/2014

LRB Number	13-3226/1	Introduction Number	AB-0687	Estimate Type	Original
Description Payment of wages by electronic fund transfer to a payroll card account					

Assumptions Used in Arriving at Fiscal Estimate

AB 687 would regulate the payment of wages in the form of an electronic fund transfer to a payroll card account, as defined under the federal Electronic Fund Transfer Act. The bill requires the employer to obtain the employee's consent on a voluntary basis; and to also offer other options for the employee to receive wages.

AB 687 also outlines fees that may or may not be charged to the employee and the specific access requirements for the employee. The bill also prohibits the employer from linking a payroll card account to any form of credit, including loans against future pay. The bill also allows an employee to change the method by which wages are received at any time.

AB 687 also requires the payroll card account to be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

The Department of Workforce Development Equal Rights Division projects that 150 complaints per year would be received regarding payroll card accounts. The law is set up similar to a civil rights complaint, and would involve a hearing process. The Equal Rights Division projects this proposed law change would require the division to hire an additional Equal Rights Officer (1.0 FTE) to investigate and prepare cases; and a part-time Attorney (0.5 FTE) position to conduct the hearings for a total of \$127,700 in annual costs, and \$5,800 in one time administrative start up costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
One-time start up costs for the 1.5 FTE that would be needed to handle the estimated 150 case increase would equal \$5,800. These funds would purchase a desk, chair, computer/monitor, file cabinet and miscellaneous supplies for each position.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$99,200	\$
(FTE Position Changes)		(1.5 FTE)	
State Operations - Other Costs		28,500	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$127,700	\$
B. State Costs by Source of Funds			
GPR		127,700	
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$127,700	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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