

Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement

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REVISED

Bill Number: HB 1980 E **Patron:** Hernandez
Bill Title: Employment health and safety standards; heat illness prevention

Bill Summary: Requires the Safety and Health Codes Board to adopt regulations establishing reasonable standards designed to protect employees from heat illness and establish a list of high-hazard industries, as defined in the bill. The bill authorizes a person aggrieved by a violation of its provisions or the regulations promulgated thereunder to seek to obtain injunctive relief, to recover statutory damages of \$1000, or both, in an action commenced within one year of the cause of action. The bill requires the Safety and Health Codes Board, in consultation with the Department of Labor and Industry, to develop a list of high-hazard industries by January 1, 2026, and to develop and adopt regulations requiring employers in high-hazard industries to implement standards for heat illness prevention by May 1, 2026. The Board is required to reassess the list of high-hazard industries every five years.

Budget Amendment Necessary: Yes **Items Impacted:** 350 (DOLI)

Explanation: The bill will result in expenses by the Department of Labor and Industry in excess of current appropriations.

Fiscal Summary: The bill will require DOLI to develop new regulations and enforce those regulations. DOLI anticipates new expenses totaling \$106,113 in FY 2026, and \$500,000 annually in future years.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
Department of Labor and Industry	-	\$106,113	\$504,680	\$504,680	\$504,680	\$504,680

Fiscal Analysis: The bill directs the Department of Labor and Industry (DOLI)'s Safety and Health Codes Board to adopt regulations establishing reasonable standards designed to protect employees from heat illness and establish a list of high-hazard industries and to convene an advisory panel including stakeholders and employee advocates. DOLI anticipates that the Board will need five additional meetings at a total cost of \$22,000 in FY 2026.

Because these standards are state specific, DOLI does not anticipate any federal support for enforcement. Based on previous implementation of state specific standards for infectious disease prevention in response to COVID, DOLI anticipates the need for 120 inspections annually. The agency believes the standards will be

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comparable in terms of workload because they are health standards to prevent illness and impairment; have requirements on employers to develop policies, procedures, and prevention methods; have lack of control methodologies; and respond to ubiquitous hazards that can occur on or off the worksite.

Each inspector is expected to conduct at least 30 annual inspections, so four positions would be needed. Each additional compliance officer requires a general fund expenditure of \$123,320 for salary, fringe, and overhead for a total of \$493,280. Additionally, an annual cost of \$11,400 is anticipated to support translation services for inquires and documents. Because the bill directs the Board to adopt the regulations no later than May 1, 2026, enforcement costs are assumed to begin on that date. The table above reflects staff and translation costs prorated to cover two months for FY 2026.

The regulations may include fines for employers who violate the standards. Revenue would be paid to the literary fund. Any amount estimates are not possible prior to establishment of the standards and the amounts of the fines. The bill also creates a civil cause of action for employees to recover damages.

This fiscal impact statement is preliminary and may be updated if additional information becomes available.

Other: None.