

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

PUBLISHED: 2/6/2025 1:10 PM

ORIGINAL

Bill Number: HB 2561

Patron: Lopez

Bill Title: Employee protections; minimum wage and overtime wages, civil actions, misclassification of workers

Bill Summary: Provides that an employer that violates minimum wage or overtime wages provisions is liable to the employee for the applicable remedies, damages, or other relief available in an action brought pursuant to the civil action provisions currently available for the nonpayment of wages. Such provisions currently available provide that an employee may bring an action in a court of competent jurisdiction to recover payment of the wages, and the court is required to award the wages owed, an additional equal amount as liquidated damages, plus prejudgment interest thereon, and reasonable attorney fees and costs. Under current law, if the court finds that the employer knowingly failed to pay wages to an employee, the court is required to award the employee an amount equal to triple the amount of wages due and reasonable attorney fees and costs, and such actions are required to be commenced within three years after the cause of action accrued.

The bill also increases from 300 days to two years the amount of time a complainant has to file an allegation of discriminatory practice with the Office of Civil Rights of the Department of Law alleging a violation of the Virginia Human Rights Act or federal statutes governing discrimination in employment that also falls under the jurisdiction of the Virginia Human Rights Act.

Additionally, the bill provides that a civil action brought by an individual against his employer for failing to properly classify the individual as an employee under current law shall be commenced within three years after the cause of action accrued.

Budget Amendment Necessary: No

Items Impacted: N/A

Explanation: This bill involves the Department of Labor and Industry (DOLI), Office of the Attorney General (OAG), and courts, however no budget action is needed.

Fiscal Summary: It is anticipated that DOLI, OAG, and the courts will be able to absorb any impact within existing resources.

Fiscal Analysis: The bill seeks to standardize the statute of limitations and penalties for violations of various employment laws. The Department of Labor and Industry enforces Virginia's wage laws. DOLI anticipates that any increase in calls related to the passage of this bill can be absorbed within current resources.

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The bill extends the time a person has to file a complaint with the Office of Attorney General about an unlawful discriminatory practice from 300 days to two years. It is anticipated that any increase in complaints as a result of this bill can be absorbed within existing resources.

The bill allows an employee to bring a civil case against an employer who violates the Virginia Minimum Wage Act, the Fair Labor Standards Act, and certain overtime standards using the same procedures as currently exist under § 40.1-29, which regulates the time and medium of payment, written statements of earnings, and forfeiture of wages. Current law allows the court to award triple the amount of wages owed to the employee in addition to attorney fees.

Other: None.