

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: SB120

Patron: Carroll Foy

Bill Title: Warehouse distribution center; requirements, protection of employees, civil penalty, civil action.

Bill Summary: Provides that a warehouse employer, as defined in the bill, that violates the bill's provisions shall be liable to an impacted warehouse employee, as defined in the bill, for certain remedies, damages, and other relief as specified in the bill. The bill requires a warehouse employer to provide each warehouse employee a written description of each performance standard to which such employee is subject and of any potential adverse employment action that may result from such employee's failure to meet such performance standard. The bill prohibits a warehouse employer from taking an adverse action against a warehouse employee for such employee's use of a bathroom facility. The bill provides that a warehouse employer that violates the bill's provisions relating to warehouse employees is subject to a civil penalty not to exceed \$5,000 for each violation.

Budget Amendment Necessary: No

Items Impacted: N/A

Explanation: This bill involves the Department of Labor and Industry (DOLI). No budget amendment is required. However, cumulative workload from this and similar bills may exceed existing agency capacity at DOLI.

Fiscal Summary: It is anticipated that this bill will have an indeterminate general fund expenditure impact and an indeterminate nongeneral fund revenue impact. As a stand-alone bill, it is anticipated that associated costs can be absorbed. However, the cumulative effect of this and other bills may exceed the agency's ability to absorb the costs of implementation. See Fiscal Analysis.

Fiscal Analysis: This fiscal impact statement is preliminary and will be updated as additional information is received.

This bill provides that a warehouse employer that violates the bill's provisions shall be liable to an impacted warehouse employee for certain remedies, damages, and other relief. According to DOLI, this bill expands the agency's responsibilities related to providing technical assistance, guidance, and complaint screening for labor and employment law matters. This bill may result in an increase in workload due to a potential increase in the number of inquiries the agency receives and complaints the agency is required to investigate; however, this amount is indeterminate. It is anticipated that any fiscal impact on the agency resulting from this bill, considered in isolation, can be absorbed within existing resources. However, if multiple bills requiring expanded agency responsibilities for labor and employment law matters are enacted during the same period,

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the cumulative workload may exceed the agency's current capacity and could result in additional resource needs. Any funding provided can be allocated to Item 352 of HB30/SB30, as introduced.

In this legislation, paragraph D of § 40.1-28.7:12, Code of Virginia, states that any warehouse employer that fails to comply with the requirements of subsection B under this bill shall be subject to a civil penalty not to exceed \$5,000 for each violation. Proceeds of all fines and penalties collected for offenses committed against the Commonwealth are paid into the state treasury to the credit of the Literary Fund.

Other: None.