

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

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ORIGINAL

Bill Number: HB670 **Patron:** Maldonado
Bill Title: Labor and employment provisions; application of law, protection of employees, definition of employer.

Bill Summary: Provides that the exemption for the Commonwealth, any of its agencies, institutions, or political subdivisions, or any public body under Title 40.1 does not apply when expressly provided otherwise. The bill defines “public body” as the term relates to labor and employment and provides that for the purposes of various requirements related to the protection of employees, the definition of “employer” includes the Commonwealth and its agencies, institutions, and political subdivisions, and any public body.

Budget Amendment Necessary: Yes, see “Fiscal Summary” **Items Impacted:** 350 (DOLI)

Explanation: The bill will create additional expenditures which the Department of Labor and Industry (DOLI) will be unable to absorb within existing resources, and an indeterminate impact on other agencies and localities.

Fiscal Summary: It is anticipated that this bill will result in a general fund expenditure impact of \$0.4 million beginning in FY 2027 with an additional indeterminate general fund impact. See fiscal analysis, below.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DOLI	\$0	\$401,050	\$401,050	\$401,050	\$401,050	\$401,050
TOTAL	\$0	\$401,050	\$401,050	\$401,050	\$401,050	\$401,050

Position Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DOLI	0	3	3	3	3	3
TOTAL	0	3	3	3	3	3

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

The bill extends certain health and safety regulations and requirements for the payment of wages to all agencies, institutions, and localities within the Commonwealth. Currently, only private employers are covered. According to the Department of Human Resource Management, the bill would create an indeterminate impact due to the risk of increased litigation. If the increase in workload for the Office of the Attorney General as a

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result reaches a level requiring additional staffing levels, each additional position would create an additional expense of \$144,160 each year.

The Department of Labor and Industry is responsible for enforcing the provisions of this bill. The agency currently has jurisdiction over the employers of approximately 3 million employees, and DOLI handled nearly 2,000 payment of wage claims and an additional 28 complex investigations regarding retaliation and other miscellaneous employment laws. This bill would expand the number of employees subject to payment of wage and other related provisions by over 500,000, which includes the number of state and local government employees in Virginia, resulting in an estimated 20 percent increase in the agency's workload.

The agency currently has six compliance officers and one specialist who are working with a case backlog of approximately 30 days and are unable to absorb additional workload. It is anticipated that additional resources to support two compliance officers (\$275,814 total) and one administrative specialist (\$125,236) will be needed.

Other: None.