

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

Fiscal Analysis: This fiscal impact is preliminary. Fiscal impact estimates associated with this bill and other legislation with similar requirements may overlap and may not be fully additive due to shared implementation activities.

This bill establishes a new prohibited practice related to coercion or threats based on immigration status and creates a new complaint process administered by DOLI. It requires the agency to receive complaints, conduct investigations, issue citations or closure letters within specified timeframes, assess civil penalties, and, where necessary, seek injunctive relief in circuit court. These duties apply regardless of whether a complaint is substantiated and apply to both private-sector employers and the Commonwealth, thus creating new investigative, administrative, and legal work beyond current wage enforcement activities.

According to DOLI, these responsibilities are not incremental and cannot be absorbed through reallocation without creating backlogs, delaying investigations, and increasing legal and compliance risk for the Commonwealth.

The number of cases requiring review and investigation is not known at this time. DOLI extrapolated from nationwide data to estimate that approximately 731,000 workers may be impacted by this bill's provisions. With these assumptions, and based on experience in other enforcement areas, if five percent (36,550) of the 731,000 workers potentially impacted by this bill seek technical assistance or file initial complaints, and three percent of those require formal investigation and enforcement action, the department will investigate 365 cases.

Based on existing benchmarks in the department's payment of wage enforcement area, a compliance officer can complete approximately 100-150 investigations annually. It is anticipated that this workload would result in the need for two additional compliance officers. The annual cost of a compliance officer position is \$137,907. The cost of two positions would be \$275,814. Additionally, DOLI indicates that an additional hearings and legal services officer position is necessary due to time constraints to pursue these cases. An estimate of the number of cases that may require legal review, penalty assessment, settlement negotiations, and pursuit of injunctive relief in circuit court is not available. According to DOLI, based on legal workload benchmarks, it is anticipated that an attorney can handle 87-88 cases annually.

In addition to new personal services costs, DOLI anticipates needing general fund support to translate documents for client contacts. It is anticipated that this bill will result in an increase in the volume of claims, requiring an additional \$2,925 in language services costs per year.

Finally, DOLI anticipates incurring one-time and ongoing information technology expenses. It is anticipated that developing a module within the department's system of record to track complaints, investigations, etc. associated with the new enforcement activities provided for in this bill will cost \$991,487 in FY2027. The ongoing annual maintenance costs are estimated at \$45,000.

The bill may increase civil penalty revenues that would be deposited into the general fund.

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

Under this section, “employer” includes the Commonwealth and any of its agencies, institutions, or political subdivisions. The Department of Human Resource Management does not anticipate a fiscal impact as a result of this bill.

Other: None.