

FISCAL NOTE

No. 1
 BILL NO. Bill Version: CSSB193(L&C)
 (S) Publish Date: 2/11/00

**STATE OF ALASKA
 2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction): _____
 Title: Collection of Unpaid Wages

 Sponsor: Senator Pearce
 Requestor: Senate L&C

Department Affected: Labor and Workforce Develop
 BRU: Labor Standards and Safety
 Component: Wage and Hour

COMPONENT SERIAL NO. 345

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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CHANGE IN REVENUE FUND SOURCE #						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ none

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Alan Dwyer, Director Phone: 465-4855
 Division: Labor Standards and Safety Date/Time: 2/7/00 10:36 AM
 Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor Date: 2/7/00

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#1
CSSB 193 (4C)

Fiscal Note: SB 193 - Collection of Unpaid Wages

This bill will allow the Department to represent those wage claimants that cannot find an attorney to represent them due to the relative small size of their claim. The Department of Labor and Workforce Development (DOL) statutory cap for a straight claim for unpaid wages under AS 23.05.220(c) is tied to the Small Claims cap of \$7,500. Wage claims exceeding \$7,500 cannot be pursued by DOL. Private attorneys cannot profitably handle those cases. This leaves a large gap where employees with wage claims between \$7,500 up to about \$20,000 are unable to get representation.

There is no incentive for attorneys to pursue private wage claims under \$20,000. It is not cost effective for an employee to pay hourly attorney's fees and it is not profitable for an attorney to take such cases on a contingency fee basis. The only recourse for such employees is to proceed Pro Se in the appropriate court, a daunting option for the average non-attorney and usually unsuccessful due to unfamiliarity with the system.

By raising the limit for Wage and Hour cases handled in Small Claims Court, this amendment provides a source of assistance for this category of employee. It is desirable to keep these cases in Small Claims Court rather than District or Superior Court in order to expedite resolution and keep down costs to all parties.

The division does not anticipate that the volume of such claims will require additional staff in order to handle them.