

HB 2567 -1 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 3/20, 4/12, 4/14

WHAT THE MEASURE DOES:

Requires employers with 75 or more employees to provide 60 days' notice to employees and government officials before ceasing operations, relocating or laying off 50 or more employees. Creates exceptions. Requires employer to provide documentation to court or Bureau of Labor and Industries when invoking exception involving active pursuit of capital or business. Provides private right of action and holds employer liable for back pay, benefits and compensatory damages.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 (Adopted 4-12) Raises threshold for when provisions to apply to employers from 75 employees to 100 employees. Eliminates compensatory damages as remedy in civil actions.

- No revenue impact
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BACKGROUND:

The federal Worker Adjustment and Retraining Notification Act (WARN), which became effective on February 4, 1989, outlines provisions for notification to employees in the event of plant closing, mass layoff, sale of businesses, and employment loss. WARN requires employers to provide 60 days' written notice to employees of companies larger than 100 or more employees who work more than an average of 20 hours a week and have worked more than 6 months in the last 12 months. The notice must be given when a plant closing will affect at least 50 employees or a mass layoff is planned affecting 500 employees or 50-499 employees if they account for at least 33 percent of company's workforce. Employer exceptions exist for faltering company, natural disaster, and unforeseeable business circumstances. Individuals or a class may bring private action for alleged violations. Violations subject the employer to compensating for back pay and benefits for the period of violation, up to 60 days. A penalty not to exceed \$500 per day may be imposed if the employer fails to notify a unit of local government.

House Bill 2567 subjects additional employers to the notice requirement and penalties for failure to do so by lowering the employee threshold from 100 to 75 and counting employees regardless of full-time or part-time status. The measure requires notice for layoffs that, in aggregate over a 90-day period, exceed 50 employees. The measure provides a private right of action for the recovery of back pay, benefits, and compensatory damages of \$500 for each day employer failed to provide notice.