FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

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BILL #: HB 6033 COMPANION BILL: SB 1672 (Truenow)

TITLE: Labor Pool Act

SPONSOR(S): Abbott

LINKED BILLS: None
RELATED BILLS: None

Committee References

Industries & Professional
Activities
8 Y, 4 N

Civil Justice & Claims
11 Y, 3 N

<u>Commerce</u>

SUMMARY

Effect of the Bill:

The bill repeals Florida's Labor Pool Act, codified in Part II of ch. 448, F.S. and consisting of ss. 448.20-448.26, F.S.

Fiscal or Economic Impact:

The bill will have an indeterminate economic impact on the private sector.

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ANALYSIS

EFFECT OF THE BILL:

The bill repeals Florida's <u>Labor Pool Act</u>, which governs the day labor industry in the state. (Section <u>1</u>) The bill also makes conforming changes. (Sections <u>2</u> and <u>3</u>).

The effective date of the bill is July 1, 2025. (Section $\underline{4}$)

FISCAL OR ECONOMIC IMPACT:

PRIVATE SECTOR:

The bill's economic impact on the private sector is indeterminate. The bill may have a positive economic impact on the private sector to the extent there will be a reduction in litigation expenses for labor pools due to the removal of the prohibitions and remedies for violations under the Labor Pool Act.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Labor Pool Act

Part II of ch. 448, F.S., also known as the Labor Pool Act (Act),¹ provides for the health, safety, and well-being of day laborers throughout the state and outlines uniform standards of conduct and practice for labor pools. The Act defines "labor pool" as a business entity that operates a labor hall² by one or more of the following methods:³

• Contracting with third-party users to supply day laborers on a temporary basis;

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¹ Ch. 95-332, L.O.F.

² S. <u>448.22(3)</u>, F.S., defines a "labor hall" as a central location maintained by a labor pool where day laborers assemble and are dispatched to work for a third-party user.

³ S. <u>448.22(1)</u>, F.S. The act also specifically excludes certain businesses from its provisions: businesses registered as farm labor contractors; employee leasing companies; temporary help services that solely provide white collar employees, secretarial employees, clerical employees, or skilled laborers; labor union hiring halls; or labor bureau or employment offices operated by a business entity for the sole purpose of employing an individual for its own use. *See* <u>s. 448.23</u>, F.S.

- Hiring, employing, recruiting, or contracting with workers to fulfill contracts for temporary day labor; or
- Fulfilling any contracts for day labor in accordance with the Act, even if the entity also conducts other business.

Exceptions

The Act does not apply to the following types of businesses:4

- Business entities duly registered as farm labor contractors pursuant to part III of chapter 450, F.S.;
- Employee leasing companies, as defined in s. <u>468.520, F.S.</u>;
- Temporary help services engaged in supplying solely white-collar employees, secretarial employees, clerical employees, or skilled laborers;
- Labor union hiring halls; or
- Labor bureau or employment offices operated by a business entity for the sole purpose of employing an individual for its own use.

Prohibitions

The Act prohibits labor pools from:5

- Charging a day laborer:6
 - For safety equipment, clothing, accessories, or any other items required by the nature of the work, and in no case more than the market value of an item temporarily provided to the worker by the labor pool should the worker willfully fail to return such item;
 - More than actual cost or market value, whichever is less, for items other than those referenced above which the labor pool makes available for purchase;
 - More than a reasonable amount to transport a worker to or from the designated worksite, and in no case more than \$1.50 each way; or
 - o For directly or indirectly cashing a worker's check.
- Requesting or requiring that any day laborer sign any document waiving statutory protections under the Act.
- Charging more than the actual cost of providing lunch, if the labor pool provides lunch at the worksite, or from making the purchase of lunch a condition of employment.⁷
- Restricting a day laborer's right to accept a permanent position with a third-party user to whom the laborer is referred for temporary work, or to restrict the right of a third-party user to offer employment to an employee of the labor pool.⁸

Requirements

The Act requires labor pools to:

- If operating a labor hall, provide the following facilities for a worker waiting at the hall for a job assignment:9
 - Restroom facilities;
 - o Drinking water; and
 - Sufficient seating.
- Select one of the following methods to pay a day laborer for work performed:10
 - o Cash:
 - Commonly accepted negotiable instruments that are payable in cash, on demand at a financial institution, and without discount;
 - o Payroll debit card; or
 - o Electronic fund transfer made to a financial institution designated by the day laborer.

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⁴ <u>s. 448.2</u>3, F.S.

⁵ S. 448.24(1), F.S.

⁶ "Day labor" means temporary labor or employment that is occasional or irregular for which the worker is employed for not longer than the time period required to complete the temporary assignment for which the individual worker was hired, although an individual may be eligible for additional temporary assignments when available. See <u>s. 448.22(2)</u>, <u>F.S.</u>

⁷ S. 448.24(4), F.S.

⁸ S. 448.24(6), F.S.

⁹ S. <u>448.24(5), F.S.</u>

¹⁰ S. 448.24(2), F.S.

- Notify a day laborer of the payment method that the labor pool intends to use and the day laborer's options
 to elect a different payment method.¹¹
- If selecting to pay a day laborer by payroll debit card:12
 - o Offer the day laborer the option to elect payment by electronic fund transfer; and
 - o Provide the day laborer with a list, including the address, of a nearby business that does not charge a fee to withdraw the debit card's contents.
- Compensate day laborers at or above the minimum wage. 13
- Comply with the Workers' Compensation Law in ch. 440, F.S. 14
- Insure any motor vehicle owned or operated by the labor pool and used for worker transportation.
- Furnish each worker with a written itemized statement showing in detail each wage deduction. 16
- Give each worker an annual earnings statement summary.¹⁷

Remedies

Under the Act, any worker affected by a violation of the provisions relating to labor pool duties and obligations may file a lawsuit against the labor pool. ¹⁸ In any such lawsuit, the worker must serve the labor pool with written notice of the alleged violation, which notice must include a statement that the failure of the labor pool to timely cure the alleged violation may result in the filing of a lawsuit, and give the labor pool a reasonable opportunity to cure the alleged violation within 60 days. ¹⁹ Where a lawsuit is ultimately filed, the lawsuit:

- Must be filed within 1 year after the date the notice of an alleged violation is served; and
- Is exclusive and prohibits the worker from pursuing any other available legal remedy.²⁰

Further, workers prevailing in such lawsuits are authorized to recover actual and consequential damages, or \$1,000, whichever is greater, for each violation, and costs.²¹

Fair Labor Standards Act

The federal Fair Labor Standards Act (FLSA), enacted in 1938, provides covered workers with minimum wage, overtime pay, and child labor protections.²² In 1938, the FLSA established a minimum wage of \$.25 an hour. The current federal minimum wage rate is \$7.25 an hour, which went into effect July 24, 2009. The FLSA applies to employment within any state in the U.S., the District of Columbia, or any territory or possession of the U.S.²³

The FLSA covers most private and public sector employees. However, certain employers and employees are exempt from coverage, including individuals with disabilities, youth workers, tipped workers, and executive, administrative, and professional workers. The FLSA covers businesses if the business has annual sales of at least \$500,000.²⁴ It also covers certain individual employees if such employee is engaged in interstate commerce.

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<sup>11</sup> Id.
<sup>12</sup> Id.
<sup>13</sup> Id.
<sup>14</sup> Id.
<sup>15</sup> Id.
<sup>16</sup> Id.
<sup>17</sup> Id.
<sup>18</sup> S. <u>448.25, F.S.</u>
<sup>19</sup> Id.
<sup>20</sup> Id.
<sup>21</sup> Id.
<sup>22</sup> 29 U.S.C. § 201-219 and 29 C.F.R. ch. V.
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²³ Congressional Research Service, CRS Report R42713, *The Fair Labor Standards Act (FLSA): An Overview*, https://crsreports.congress.gov/product/pdf/R/R42713, (last visited Apr. 10, 2025). (The main FLSA provisions and accompanying Department of Labor (DOL) regulations constitute what is commonly known as federal wage and hour laws and federal child labor law.).

²⁴ The size of an enterprise is measured by its "annual sales or business done." Annual sales or business done includes all business activities that can be measured in dollars. Thus, retailers are covered by the FLSA if their annual sales are at least \$500,000. Owners of rental properties are covered if they collect at least \$500,000 annually in rent. 29 C.F.R.§§779.258-779.259.

The FLSA provides that if states enact worker protections, including minimum wage rates, that are more protective of employees than what is provided by the FLSA, the state law applies.²⁵ **Consequently, no state law may weaken the worker protections in the FLSA.** However, state laws that impose greater worker protections will supersede those in the FLSA.²⁶

Thirty states plus Washington DC, Guam, Puerto Rico, and the Virgin Islands provide a minimum wage greater than the federal minimum wage. Thirteen states provide a minimum wage that is equal to the federal minimum wage. Five states have not adopted a minimum wage and two states have a minimum wage that is below the federal minimum wage.²⁷ For those seven states without a minimum wage, or with a minimum wage that is below the federal minimum wage, the federal minimum wage applies, but only as to those workers covered by the FLSA.

The US Department of Labor, Wage and Hour Division provides the following information regarding the application of the minimum wage, overtime pay, and recordkeeping requirements of the FLSA to low-wage employees earning wages by the day, commonly known as day laborers:²⁸

- **Minimum Wage:** FLSA covered employers must pay day laborers at least the applicable minimum wage for all hours worked regardless of whether the worker is paid by the hour, the day, or at a piece rate. The minimum wage for covered nonexempt employees is \$7.25 an hour effective July 24, 2009. (Certain State rates may be higher.)
- **Hours Worked:** Employers must pay day laborers for all work performed, whether or not the employer approves the work in advance. In general, "hours worked" includes all time an employee must be on duty, or at the place of work. Normally, time spent in training, traveling from site to site during the day, and doing repair work must be paid.
- **Overtime:** Normally, employers must pay time and one-half of the worker's regular rate of pay after 40 hours of work in a 7-day workweek.
- **Recordkeeping:** Records must be kept by employers of all wages paid and of all hours worked, regardless of where the work is performed. Workers should keep a record of their employer's name, address, phone number, the hours they worked, and any payments received.

RECENT LEGISLATION:

YEAR	BILL#	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2023	<u>CS/HB 895</u>	Basabe	Perry	The bill became law on July 1, 2023.

²⁶ Congressional Research Service, CRS Report R42713, *The Fair Labor Standards Act (FLSA): An Overview, Updated March 8*, 2023, https://crsreports.congress.gov/product/pdf/R/R42713, (last visited Apr. 10, 2025).

 $\label{laborers} $$ \frac{laborers\#:\sim:text=FLSA\%20covered\%20employers\%20must\%20pay,State\%20rates\%20may\%20be\%20higher.)$ (last visited Apr. 10, 2025).$

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²⁵ 29 U.S.C. §218.

²⁷ U.S. Department of Labor, Consolidated Minimum Wage Table, https://www.dol.gov/agencies/whd/mw-consolidated (last visited Apr. 10, 2025).

²⁸ US Department of Labor, *Fact Sheet #61: Day Laborers Under the Fair Labor Standards Act (FLSA)*, https://www.dol.gov/agencies/whd/fact-sheets/61-flsa-day-

BILL HISTORY

			STAFF		
			DIRECTOR/	ANALYSIS	
COMMITTEE REFERENCE	ACTION	DATE	POLICY CHIEF	PREPARED BY	
<u>Industries & Professional Activities</u>	8 Y, 4 N	3/26/2025	Anstead	Thompson	
Subcommittee					
Civil Justice & Claims	11 Y, 3 N	4/10/2025	Jones	Mawn	
<u>Subcommittee</u>					
Commerce Committee					

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