

## **The Short Life of HB-1397: Bill Mandating Sick-Leave Requirements on Businesses Dies**

April 7--Introduced on Monday, April 5<sup>th</sup>, HB-1397 died a quick death in committee today at the request of its sponsor. A similar bill died in last year's session.

On Tuesday, the CACI Governmental Affairs Council agreed to make the bill a priority for defeat by the business community. CACI strongly opposed the bill, which would have been an unnecessary, costly mandate on Colorado companies.

HB-1397, sponsored by Representative Cherilyn Peniston (D-Westminster), would have required companies to provide specific amounts of sick leave to workers based on the size of the business. All employers would have had to provide each worker at least one hour of paid sick leave for every 30 hours worked. For companies with more than ten employees, the maximum would have been 72 hours per year. For companies with ten or less employees, the maximum is 40 hrs per year. The bill also would have required an employer to allow a roll-over of unused paid sick leave to subsequent years.

A bill sponsor usually requests that his or her bill be killed in committee when it's apparent that the bill lacks the votes to be approved by the committee. In the case of HB-1397, it meant that some majority-party members of the House Business Affairs and Labor Committee likely would have voted against the bill.

A major advocate of the bill was 9to5 National Association of Working Women:

<http://www.9to5.org/local/colorado>

Representative Peniston was quoted by *The Denver Business Journal* as saying that she hopes to work on the bill with various interest groups this summer to rework the bill for the 2011 legislative session.

Virtually all private employers currently provide paid sick leave for their employees, and they accommodate their workers with requested time off for being sick or for appointments. Most employers provide the same number of hours of sick leave regardless of the size of the business, and they currently must comply with sick leave mandates set forth in the Federal Medical Leave Act (FMLA).

This bill would have created a mandate on business, which in turn would have created high operational costs and discouraged job creation and retention. This bill would have been exactly what businesses do not need during an uncertain period of economic recovery. Economic development officials warned that states with mandates are unattractive to companies seeking relocation. This bill would have made their jobs even harder to recruit new businesses.

Businesses told CACI that they would have been forced to reduce payroll and healthcare and retirement benefits to workers in order to fund this new mandated benefit. The bill would have created a costly burden on businesses that would have had to change existing leave policies,

create new accounting procedures, re-calculate leave schedules and keep sick-leave records for five years. This bill would have prevented an employer from asking a worker to disclose the reasons for the leave, thereby making it impossible for an employer to determine whether the worker was entitled to the leave as defined in the bill.

The bill's overly broad definition of a "family member" applied to any person who resided with an employee for more than six months, which could have include a friend, roommate or any other non-related individual.

This bill would have allowed an employee to roll-over paid sick leave that he or she did not use in a current calendar year. This would have been a costly benefit to employers and is not a currently practice of many companies. Small businesses would have avoided the bill's requirements by keeping the number of workers below the threshold in the bill to minimize their costs. The bill mandated that a business pay a worker for sick leave, but it did not require that the worker prove that the sick leave was actually used because of illness.

Prospective workers have a responsibility to assess the benefit package offered by a business to determine if the benefits will meet their needs before they take a job. Government interference with company benefits will erode a companies' ability to offer competitive benefits to attract and retain workers.