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[SF 542](#) – Youth Employment (LSB1838SV)

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Fiscal Note Version – New

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### **Description**

[Senate File 542](#) relates to youth employment and makes the following changes:

- Removes language providing for child labor permits and migrant labor permits.
- Prohibits individuals 13 years of age or younger from working in any work activity.
- Removes language that allows migrant laborers who are 14 or 15 years of age to work during summer school hours.
- Allows minors to participate in certain work activities that are currently prohibited.
- Modifies the hours that minors may work.
- Allows the Labor Commissioner to issue waivers of youth employment restrictions in certain circumstances.
- Provides that the Director of the Iowa Workforce Development (IWD) or the Director of the Department of Education may grant exceptions from any provision of Iowa Code section [92.6](#), [92.7](#), or [92.8](#) for individuals 14 to 17 years of age who are participating in work-based learning or a school- or employer-administered, work-related program if certain conditions are met.
- Creates exceptions to Iowa Code section 92.8 for students in approved work-based learning programs, registered apprenticeships, career and technical education programs, or student learner programs if certain conditions are met.
- Removes certain violations relating to child labor under Iowa Code section [92.19](#).
- Removes the serious misdemeanor penalty for an individual in charge of any migratory worker or of any child who engages in a street occupation in violation of Iowa Code chapter [92](#).
- Grants the Labor Commissioner the right to waive or reduce a civil penalty related to the violation of child labor laws based on the evidence the Commissioner obtains. The Bill also requires the Commissioner to provide a 15-day grace period before imposing a civil penalty.
- Modifies employer liability related to secondary students in work-based learning programs.
- Allows individuals 16 or 17 years of age to sell or serve alcoholic beverages for consumption on the premises where sold if the employer has a written permission from the legal guardian or custodian of the individual on file.
- Allows an instruction permittee to operate a motor vehicle to and from the permittee's place of employment without an accompanying driver if certain conditions are met.
- Provides that a violation of instruction permittee restrictions under the Bill is punishable by a scheduled fine of \$200.

### **Background**

Under current law, those between the ages of 10 and 13 may work in street occupations or migratory labor occupations under Iowa Code section [92.1](#). Civil penalties assessed by the Labor Commissioner under Iowa Code chapter 92 may not exceed \$10,000. A violation of restrictions related to instruction permittees is punishable by a scheduled fine of \$70.

**Assumptions**

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Bill to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Fine revenue is distributed pursuant to Iowa Code section [620.8106](#).
- The requirement for instruction permittees to submit new documentation to the Department of Transportation (DOT) comes with the following assumptions:
  - The increased volume of instruction permit applications will be accomplished by existing staff.
  - Most individuals 16 years of age will seek to upgrade to an intermediate license rather than continue to drive on an instruction permit or will continue to use the instruction permit only. Therefore, individuals 16 years of age are not included in the estimated fiscal impact.
  - Individuals who will seek to use an instruction permit to drive to work under the Bill already have an instruction permit and will not need a duplicate card to show they are work authorized.
  - The creation of a new programming path to process child labor instruction permits will require 340 hours at \$60.58 per hour, resulting in a one-time cost of approximately \$21,000.

**Correctional Impact**

The correctional impact of SF 542 cannot be estimated due to lack of data. The Bill modifies serious misdemeanors related to child labor under Iowa Code chapter [92](#). The Bill also modifies a simple misdemeanor related to the serving or sale of alcohol by a minor under Iowa Code section [123.49\(2\)\(f\)](#). In FY 2022, there were no convictions under Iowa Code chapter 92 and no convictions under Iowa Code section 123.49(2)(f).

A serious misdemeanor is punishable by confinement for no more than one year and a fine of between \$430 and \$2,560. A simple misdemeanor is punishable by confinement for no more than 30 days and a fine of between \$105 and \$855.

**Table 1** below shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of serious misdemeanors. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 20, 2023, for information related to the correctional system. A conviction of a simple misdemeanor does not result in a prison sentence, but does carry the possibility of confinement in jail for up to 30 days.

**Table 1 — Sentencing Estimates and LOS**

Conviction Offense Class	Percent Ordered to State Prison	FY 22 Avg LOS in Prison in Months (All Releases)	FY 22 Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 22 Avg LOS on Probation in Months	FY 22 Avg Cost Per Day Probation	Percent Sentenced to CBC Residential Facility	FY 22 Marginal Cost Per Day CBC	Percent Ordered to County Jail	Marginal Cost Per Day Jail	FY 22 Avg LOS on Parole in Months	FY 22 Marginal Cost Per Day Parole
Serious Misd	1.9%	5.5	\$23.42	51.2%	13.7	\$7.27	0.9%	\$20.67	73.3%	\$50.00	0.5	\$7.27

**Minority Impact**

The minority impact of SF 542 cannot be estimated due to lack of data. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 20, 2023, for information related to minorities in the criminal justice system.

**Fiscal Impact**

Senate File 542 will result in a one-time operational cost of \$21,000 to the DOT’s Motor Vehicle Division (MVD) information technology (IT) resources. The Bill would require the creation of a new programming path for the receipt and recording of the child labor instruction permits, an online submission stream through [myMVD](#), and the creation of an indicator or a restriction viewable to law enforcement during the driver’s license look-up. Changes to the current motor vehicle laws will be accomplished by existing staff and resources and do not have a fiscal impact to the MVD.

The IWD estimates the Bill to have little to no fiscal impact to the IWD.

Revenue generated from the \$200 scheduled fine under new Iowa Code section [321.180B\(1\)\(c\)\(3\)](#) cannot be estimated due to a lack of data. **Table 2** shows the distribution of fine revenue for one conviction, including court costs and the Crime Services Surcharge.

**Table 2 — Fine Revenue Distribution**

<b>State General Fund</b>	<b>County General Funds</b>	<b>Victim Compensation Fund</b>	<b>Criminalistics Laboratory Fund</b>	<b>Drug Abuse Resistance Education Fund</b>	<b>Juvenile Home Detention Fund</b>	<b>Total</b>
\$ 237.00	\$ 18.00	\$ 9.60	\$ 6.00	\$ 0.60	\$ 13.80	\$ 285.00

**Sources**

- Department of Human Rights, Criminal and Juvenile Justice Planning Division
- Department of Transportation
- LSA calculations
- Iowa Workforce Development

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/s/ Jennifer Acton

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.