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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

S.B. 243
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 243's Bill Analysis](#)

Version: As Passed by the Senate

Primary Sponsors: Sens. Brenner and Peterson

Local Impact Statement Procedure Required: No

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Highlights

- The provisions of the bill do not appear to have any fiscal impact on the state and political subdivisions based on current federal and state law and administrative policies governing work hours and compensation for state and local government employees. State laws and regulations concerning these issues are overseen by the Bureau of Wage and Hour Administration of the Industrial Compliance Division within the Department of Commerce.

Detailed Analysis

The bill appears to have no direct fiscal effect on the state or local political subdivisions, largely because of the way it interacts with the federal Fair Labor Standards Act (FLSA) and current administrative policies at the state and local level. The bill exempts an employer from Ohio's requirement to pay overtime wages to an employee for any time an employee spends (1) walking, riding, or traveling to or from the actual place of performance of the principal activity or activities that the employee is employed to perform, (2) activities that are preliminary or postliminary to the principal activity or activities, and (3) activities requiring insubstantial or insignificant periods of time beyond the employee's scheduled working hours. Exceptions under the bill include when an employee performs the task during the regular work day or during prescribed hours and when the employee performs the task at the employer's specific direction.

The federal Portal-to-Portal Act of 1947 includes an exemption to the FLSA that is similar to the exemption under S.B. 243. Additionally, under current law, employees of the state or employees of state-supported colleges or universities are not authorized for overtime pay unless

approved by the administrative authority which employs them.¹ On the local level, for example, the city of Columbus has a policy to avoid overtime work except upon emergency conditions as determined by the appointing authority or its designee, and overtime needs to be expressly approved.²

The Overtime Law is overseen by the Bureau of Wage and Hour Administration of the Industrial Compliance Division within the Department of Commerce. The Bureau investigates complaints and, upon making determinations, collects back wages and penalties owed to workers. In FY 2019, the Bureau completed 458 investigations. About 84.3% were minimum wage investigations, conducted on employers who allegedly did not pay workers minimum wage or overtime. Oversight costs incurred by the Bureau are paid from the Industrial Compliance Fund (Fund 5560).

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¹ R.C. 124.18(A) and DAS Directive on Overtime Compensation: [https://das.ohio.gov/Portals/0/DAS Divisions/DirectorsOffice/pdf/policies/humanresources/HR-D-06.pdf](https://das.ohio.gov/Portals/0/DAS%20Divisions/DirectorsOffice/pdf/policies/humanresources/HR-D-06.pdf).

² City of Columbus Management Compensation Plan, posted on city of Columbus website at: <https://www.columbus.gov/WorkArea/DownloadAsset.aspx?id=66622>.