2024 GENERAL SESSION STATE OF UTAH Chief Sponsor: Karianne Lisonbee Senate Sponsor:  CONG TITLE General Description: This bill addresses overtime pay for certain state employees.
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Highlighted Provisions:
This bill:
<ul><li>defines terms;</li></ul>
<ul> <li>modifies provisions relating to the number of hours that a state employee engaged</li> </ul>
n law enforcement or fire protection activities must work to qualify for overtime
pay; and
<ul><li>makes technical and conforming changes.</li></ul>
Money Appropriated in this Bill:
None
Other Special Clauses:
This bill provides a special effective date.
Utah Code Sections Affected:
AMENDS:
63A-17-502, as last amended by Laws of Utah 2022, Chapter 447
1 )

63A-17-502. Overtime policies for state employees.



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28	(1) As used in this section:
29	(a) "Accrued overtime hours" means:
30	(i) for <u>a</u> nonexempt [employees] employee, overtime hours earned during a fiscal year
31	that, at the end of the fiscal year, have not been paid and have not been taken as time off by the
32	nonexempt state employee who accrued them; and
33	(ii) for <u>an</u> exempt [employees] employee, overtime hours earned during an overtime
34	year.
35	(b) "Appointed official" means:
36	(i) each department executive director and deputy director, each division director, and
37	each member of a board or commission; and
38	(ii) any other person employed by a department who is appointed by, or whose
39	appointment is required by law to be approved by, the governor and who:
40	(A) is paid a salary by the state; and
41	(B) who exercises managerial, policy-making, or advisory responsibility.
42	(c) "Conversion ratio" means the quotient of the total number of hours in a work period
43	divided by the work period's total number of consecutive days.
44	[(c)] (d) "Department" means the Department of Government Operations, the
45	Department of Corrections, the Department of Financial Institutions, the Department of
46	Alcoholic Beverage Services, the Insurance Department, the Public Service Commission, the
47	Labor Commission, the Department of Agriculture and Food, the Department of Human
48	Services, the Department of Natural Resources, the Department of Transportation, the
49	Department of Commerce, the Department of Workforce Services, the State Tax Commission,
50	the Department of Cultural and Community Engagement, the Department of Health, the
51	National Guard, the Department of Environmental Quality, the Department of Public Safety,
52	the Commission on Criminal and Juvenile Justice, all merit employees except attorneys in the
53	Office of the Attorney General, merit employees in the Office of the State Treasurer, merit
54	employees in the Office of the State Auditor, Department of Veterans and Military Affairs, and
55	the Board of Pardons and Parole.
56	[(d)] (e) "Elected official" means any person who is an employee of the state because
57	the person was elected by the registered voters of Utah to a position in state government.
58	[(e)] (f) "Exempt employee" means a state employee who is exempt as defined by the

59	[Fair Labor Standards Act of 1978, 29 U.S.C. Sec. 201 et seq] FLSA.
60	[(f)] (g) "FLSA" means the Fair Labor Standards Act of 1978, 29 U.S.C. Sec. 201 et
61	seq.
62	[(g)] (h) "FLSA agreement" means the agreement authorized by the [Fair Labor
63	Standards Act of 1978, 29 U.S.C. Sec. 201 et seq.,] FLSA by which a nonexempt employee
64	elects the form of compensation the nonexempt employee will receive for overtime.
65	[(h)] (i) "Nonexempt employee" means a state employee who is nonexempt as defined
66	by the division applying FLSA requirements.
67	[(i)] (j) "Overtime" means actual time worked in excess of [the] an employee's defined
68	work period.
69	[(j)] (k) "Overtime year" means the year determined by a department under Subsection
70	[(4)(b)] (5)(b) at the end of which an exempt employee's accrued overtime lapses.
71	(l) "Pubic safety employee" means a state employee who:
72	(i) in accordance with 29 C.F.R. 553.211 and 553.212:
73	(A) is a uniformed or plain clothes law enforcement officer or correctional officer;
74	(B) is empowered by statute to enforce laws designed to maintain public peace and
75	order, to protect life and property from accidental or willful injury, and to prevent and detect
76	<u>crimes;</u>
77	(C) has the power to arrest;
78	(D) possesses a certificate issued by the Peace Officer Standards and Training Division
79	created under Section 53-6-103 stating that the employee has successfully met the standards
80	and training requirements established for peace officers under Title 53, Chapter 6, Part 2, Peace
81	Officer Training and Certification Act; and
82	(E) performs 80% or more law enforcement or correctional officer duties in a work
83	period; or
84	(ii) in accordance with Sec. 203(y) of the FLSA:
85	(A) is a firefighter, paramedic, emergency medical technician, rescue worker,
86	ambulance personnel, or hazardous materials worker;
87	(B) is trained in fire suppression;
88	(C) has the legal authority and responsibility to engage in fire suppression; and
89	(D) is engaged in the prevention control and extinguishment of a fire or the response

90	to an emergency situation where life, property, or the environment is at risk.
91	[(k)] (m) "State employee" means every person employed by a department who is not:
92	(i) an appointed official;
93	(ii) an elected official; or
94	(iii) a member of a board or commission who is paid only for per diem or travel
95	expenses.
96	[(1)] (n) "Uniform annual date" means the date when an exempt employee's accrued
97	overtime lapses.
98	[(m)] (o) "Work period" means[:] the maximum number of hours, within a specified
99	number of consecutive days, a state employee may work before accruing overtime.
100	(2) The work period for a state employee is:
101	[(i)] (a) for [all] a nonexempt [employees] employee, except [law enforcement and
102	hospital employees, a consecutive seven day 24 hour work period of 40 hours] a public safety
103	employee or a hospital employee, 40 hours in seven consecutive days;
104	[(ii)] (b) for [all] an exempt [employees, a 14 day, 80 hour payroll cycle; and]
105	employee, 80 hours in 14 consecutive days;
106	[(iii)] (c) for a nonexempt [law enforcement and hospital employees] hospital
107	employee, the period established by each department by rule [for those employees] according
108	to the requirements of the [Fair Labor Standards Act of 1978, 29 U.S.C. Sec. 201 et seq.]
109	FLSA; or
110	(d) for a nonexempt public safety employee, the period established by each department
111	under Subsection (3).
112	(3) The division shall require each department employing a public safety employee to
113	designate one of the following work periods applicable to that employee:
114	(a) for a public safety employee described in Subsection (1)(1)(i):
115	(i) 80 hours in 14 consecutive days; or
116	(ii) 160 hours in 28 consecutive days; or
117	(b) for a public safety employee described in Subsection (1)(1)(ii):
118	(i) 100.5 hours in 14 consecutive days;
119	(ii) 201 hours in 28 consecutive days; or
120	(iii) another work period that:

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121	(A) is not less than seven nor more than 28 consecutive days;
122	(B) does not have a conversion ratio greater than the conversion ratio of the work
123	period described in Subsection (3)(b)(i) or (ii);
124	(C) conforms to the state's payroll cycle; and
125	(D) is approved by the director of the division.
126	[(2)] (4) Each department shall compensate each state employee who works overtime
127	by complying with the requirements of this section.
128	[(3)] (5) (a) Each department shall negotiate and obtain a signed FLSA agreement from
129	each nonexempt employee.
130	(b) In the FLSA agreement, the nonexempt employee shall elect either to be
131	compensated for overtime by:
132	(i) taking time off work at the rate of one and one-half hour off for each overtime hour
133	worked; or
134	(ii) being paid for the overtime worked at the rate of one and one-half times the rate per
135	hour that the state employee receives for nonovertime work.
136	(c) $[Any]$ $\underline{A}$ nonexempt employee who elects to take time off under this Subsection
137	[3] (5) shall be paid for any overtime worked in excess of the cap established by the division.
138	(d) Before working any overtime, [each] a nonexempt employee shall obtain
139	authorization to work overtime from the employee's immediate supervisor.
140	(e) Each department shall:
141	(i) for [employees who elect] an employee who elects to be compensated with time off
142	for overtime, allow overtime earned during a fiscal year to be accumulated; and
143	(ii) for [employees who elect] an employee who elects to be paid for overtime worked,
144	pay them for overtime worked in the paycheck for the pay period in which the employee
145	worked the overtime.
146	(f) If a department pays a nonexempt employee for overtime, that department shall
147	charge that payment to that department's budget.
148	(g) At the end of each fiscal year, the Division of Finance shall total all the accrued
149	overtime hours for nonexempt employees and charge that total against the appropriate fund or
150	subfund.
151	$\left[\frac{(4)}{(a)}\right]$ (6) (a) (i) Except as provided in Subsection $\left[\frac{(4)(a)(ii)}{(a)(ii)}\right]$ (6)(a)(ii), each department

shall compensate [exempt employees who work] each exempt employee who works overtime by granting [them] the employee time off at the rate of one hour off for each hour of overtime worked.

- (ii) The director of the division may grant limited exceptions to this requirement, where work circumstances dictate, by authorizing a department to pay [employees] an employee for overtime worked at the rate per hour that the employee receives for nonovertime work, if that department has funds available.
  - (b) (i) Each department shall:

- (A) establish in its written human resource policies a uniform annual date for each division that is at the end of any pay period; and
  - (B) communicate the uniform annual date to its employees.
- (ii) If any department fails to establish a uniform annual date as required by this Subsection [(4)] (6), the director of the division, in conjunction with the director of the Division of Finance, shall establish the date for that department.
- (c) [(i) Any overtime earned under this Subsection (4) is not an entitlement, is not a benefit, and is not a vested right.] The overtime authorized for an exempt employee under this Subsection (6) is not an entitlement, a benefit, or a vested right.
- [(ii) A court may not construe the overtime for exempt employees authorized by this Subsection (4) as an entitlement, a benefit, or as a vested right.]
- (d) At the end of the overtime year, upon transfer to another department at any time, and upon termination, retirement, or other situations where the employee will not return to work before the end of the overtime year:
- (i) any of an exempt employee's overtime that is more than the maximum established by division rule lapses; and
- (ii) unless authorized by the director of the division under Subsection [(4)(a)(ii)] (6)(a)(ii), a department may not compensate the exempt employee for that lapsed overtime by paying the employee for the overtime or by granting the employee time off for the lapsed overtime.
- (e) Before working any overtime, each exempt employee shall obtain authorization to work overtime from the exempt employee's immediate supervisor.
  - (f) If a department pays an exempt employee for overtime under authorization from the

183	director of the division, that department shall charge that payment to that department's budget
184	in the pay period earned.
185	$\left[\frac{(5)}{(7)}\right]$ The division shall:
186	(a) ensure that the provisions of the FLSA and this section are implemented throughout
187	state government;
188	(b) determine, for each state employee, whether [that] the employee is exempt,
189	nonexempt, [law enforcement] a public safety employee, or has some other status under the
190	FLSA;
191	(c) in coordination with modifications to the systems operated by the Division of
192	Finance, make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
193	Rulemaking Act:
194	(i) establishing procedures for recording overtime worked that comply with FLSA
195	requirements;
196	(ii) establishing requirements governing overtime worked while traveling and
197	procedures for recording that overtime that comply with FLSA requirements;
198	(iii) establishing requirements governing overtime worked if the employee is "on call"
199	and procedures for recording that overtime that comply with FLSA requirements;
200	(iv) establishing requirements governing overtime worked while an employee is being
201	trained and procedures for recording that overtime that comply with FLSA requirements;
202	(v) subject to the FLSA and Subsections (2) and (3), establishing the maximum
203	number of hours that a nonexempt employee may accrue before a department is required to pay
204	the employee for the overtime worked;
205	(vi) subject to the FLSA, establishing the maximum number of overtime hours for an
206	exempt employee that do not lapse; and
207	(vii) establishing procedures for adjudicating appeals of [any FLSA determinations] an
208	FLSA determination made by the division as required by this section;
209	(d) monitor departments for compliance with the FLSA; and
210	(e) recommend to the Legislature and the governor any statutory changes necessary
211	because of federal government action.
212	[(6)] (8) (a) In coordination with the procedures for recording overtime worked
213	established in rule by the division, the Division of Finance shall modify its payroll and human

214 resource systems to accommodate those proced	ures.
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- (b) Notwithstanding the procedures and requirements of Title 63G, Chapter 4, Administrative Procedures Act, Section 63A-17-602, and Section 67-19a-301, [any] an employee who is aggrieved by the FLSA designation made by the division as required by this section may appeal that determination to the director of the division by following the procedures and requirements established in division rule.
- (c) Upon receipt of an appeal under this section, the director shall notify the executive director of the employee's department that the appeal has been filed.
- (d) If the employee is aggrieved by the decision of the director, the employee shall appeal that determination to the Department of Labor, Wage and Hour Division, according to the procedures and requirements of federal law.
  - Section 2. Effective date.
- This bill takes effect on July 1, 2024.