



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1548

PRINTERS NO. 2183

PRIME SPONSOR: Murt

COST / (SAVINGS)

FUND	FY 2010/11	FY 2011/12
General Fund	\$0	See Analysis

SUMMARY: Amends the Child Labor Law (Act 177 of 1915) to rewrite the section of the law that deals with participation of minors in entertainment work. This legislation would take effect October 1, 2011.

ANALYSIS: The legislation deletes current language in Section 7.1 of the law; inserts new language into this section that deals with participation by minors in performances in general; and adds a new Section 7.5 into law that address participation by minors in TV reality/ documentary shows.

The legislation states that the Department of Labor and Industry may issue special work permits to minors who are paid, and who render artistic or creative services in theater, radio, television, movies, the Internet, publications, or a medium that may be transmitted to an audience. A minor can be employed in such a performance if:

1. the minor has a valid permit from the department;
2. the performance is not hazardous to the minor's safety or well-being;
3. the minor's performance is limited to hours established in the legislation and through regulation by the department.
4. the performance will not constitute a violation of obscenity and sexual abuse statutes;
5. a minor who is under 16 is accompanied by a parent/ guardian who must be within sound or sight of the minor at all times.

The department shall issue a permit, valid for six months from its issuance, upon presentment of the following information in an application:

1. A letter or document from the minor's school or school district indicating that the minor is a student in good standing. If school is not in session, the minor must present his most recent report card.
2. Verification of minor's age.
3. Permission of parents.

An employer who employs one or more minors in a performance must possess a permit issued by the department. The department shall issue such a permit upon proof of workers' compensation coverage, if required. The employer shall pay a fee set by the department, but no more than \$350 for initial registration and \$200 for renewal.

The Department of Labor & Industry shall have the right to revoke a special permit if: (i) there has been a violation of this act related to the employment of the minor in the performance; (ii) the permit application contained false, misleading and substantially incorrect information or the applicant or minor is no longer performing in accordance with the information provided on the application; (iii) a condition of issuance of the permit is not being met; or (iv) there is danger to the minor's health, safety or welfare. The department may revoke a special permit under this section without a hearing. The revocation could be appealed to the Secretary of Labor and Industry, who shall conduct a hearing subject to 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action). The revocation may remain in effect until the Secretary of Labor and Industry issues a decision.

The legislation prohibits minors from working more than eight hours in a day or more than 48 hours in a week. They will be prohibited from working before 5 a.m. on any day, and from working past 10 p.m. on a day before a school day, and not later than 12:30 a.m. on a day before a school day. The department may waive or modify these restrictions.

A minor performer is required to fulfill educational requirements in the Public School Code of 1949 or the requirements of the state in which he resides. A minor who has not completed previous requirements is subject to the following:

1. An employer who employs a minor for three or more school days in a 30-day period shall provide a credentialed teacher. The requirement will begin on the second day the minor works and will continue for every day school is in session. A minor receiving instruction in this manner shall not be declared absent from school. This requirement shall only apply while school is in session. The teacher shall provide instruction during hiatus for periods when school is in session.
2. When an employer is required to provide a teacher, the employer must provide a ratio of at least one teacher for every ten minors, unless the minors are within two grade levels, in which case the employer must provide a ratio of a least one teacher for every 20 minors. School districts may develop alternative methods for education requirements to be met, although these standards could not be more restrictive.

The legislation requires that within 30 days following the final day of employment, an employer shall transfer 15% of gross earnings to the custodian/ trustee of the minor's trust account established under Title 20 Ch. 53. If employment is longer than 30 days, then such transfer shall be made every payroll period. If the employer has not been notified of the existence of a trust account within 15 days of beginning of employment, or no trust account exists, then the employer is required to transfer such monies to the State Treasurer into an account for the benefit of the minor. The employer's obligation will end when the minor reaches 18 years of age.

A minor may participate in a reality/ documentary program if the participation is not hazardous to the health and safety of the minor, or if participation will not be a violation of obscenity and sexual abuse statutes. Where a minor or one or more of the minor's family receives compensation (either monetary or non-monetary) for the minor's participation in a program, and the minor's participation is substantial (i.e., the minor is the principle subject and participates for ten or more days in a 30-day period), the minor must have a valid permit. The department will have to issue a permit under the following conditions:

- 1) it determines that adequate provision has been made for the minor's educational instruction and supervision;
- 2) the minor's participation will not occur past 10 p.m. on days before a school day, and not past 12:30 a.m. on nights before a nonschool day, and not before 5 a.m. on any day; and
- 3) the minor will not participate more than eight hours in a day or more than 48 hours in a week. The department may waive these conditions. The application for a permit will have to have various required information, including the dates of the minor's expected participation, the hours of expected participation, proof of workers' compensation insurance (if required), information on trust fund, and education information.

A permit will not be required for a minor's participation in a church, school, community or charitable filming activity for which the minor receive no remuneration. Permits will not be required for news gathering activities or game shows.

FISCAL IMPACT: According to the Department of Labor & Industry, permit revenue generated under this legislation would be approximately \$527,650 which should contain the total potential expenses. They anticipate that they would have to add 1 attorney, 2 investigators, and 2 administrators which would total \$239,870. The remainder of the costs would be for travel and prosecution which would be indeterminable at this point.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 22, 2011

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.