

SECOND REGULAR SESSION

# HOUSE BILL NO. 1745

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE MILLER.

3899H.011

JOSEPH ENGLER, Chief Clerk

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### AN ACT

To repeal section 290.527, RSMo, and to enact in lieu thereof one new section relating to additional requirements for employees filing certain employment complaints, with penalty provisions.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 290.527, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 290.527, to read as follows:

290.527. 1. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable ~~attorney~~ **attorney's** fees as may be allowed by the court or jury. The employee may bring any legal action necessary to collect the claim, **subject to the provisions of subsections 2, 3, 4, and 5 of this section.** Any agreement between the employee and the employer to work for less than the wage rate shall be no defense to the action. All actions for the collection of any deficiency in wages shall be commenced within three years of the accrual of the cause of action.

2. (1) **For all employee-initiated complaints relating to a violation of the state minimum wage or overtime laws arising on or after January 1, 2027, as a jurisdictional condition precedent to filing a civil action governing the subject matter of the complaint for such causes, any employee who claims to be aggrieved by a violation of the state minimum wage or overtime laws shall first file a complaint with the department on a**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 form and in a manner provided by the department and within the time limits prescribed  
17 for the alleged violation, as provided under subsections 2, 3, 4, and 5 of this section.

18 (2) The complaint shall include all pay periods for which the employee alleges  
19 the violation. The complaint shall include pay stubs and time sheets as supporting  
20 evidence that provides the basis for the complaint. Other relevant documentation may  
21 be included or supplemented as evidence at the employee's discretion or as required by  
22 the department or the division of labor standards. Only evidence submitted at the time  
23 of the complaint shall be considered unless the employee needs to obtain documents  
24 from the employer or as required as part of the investigation.

25 (3) All pay periods ending before the date of filing that are omitted from the  
26 complaint shall be deemed to be in compliance and the employee waives any right to a  
27 future complaint for omitted pay periods predating the complaint filing date arising  
28 from the same alleged violation, to the extent allowed by the Fair Labor Standards Act  
29 of 1938, as amended, and its accompanying regulations and guidelines; Title VII of the  
30 Civil Rights Act of 1964, as amended, and its accompanying regulations and guidelines;  
31 29 CFR Chapter V; 29 CFR Chapter XIV; or any other state or federal law or  
32 regulation, or from providing any corroborating documentation to obtain such waiver  
33 unless authorized to do so by a court.

34 3. (1) Upon receipt of a complaint made under subsection 2 of this section, the  
35 department shall investigate the allegations contained within the complaint and issue an  
36 investigative report containing the findings of underpayment and liquidated damages as  
37 provided under this chapter or by general law for the violation at issue, if applicable.

38 (2) The department shall complete its investigation within ninety days of  
39 receiving the complaint, unless an extension is agreed upon by both the complainant  
40 employee and the employer, and shall issue the investigative report containing the  
41 department's findings and conclusions to both parties.

42 (3) If the department is unable to resolve the dispute, the complainant employee  
43 is dissatisfied with the department's findings, or the complainant employee is  
44 dissatisfied with and rejects the employer's offer of settlement within the time frames  
45 provided under subsection 4 of this section, the department shall issue a "right to sue"  
46 notice to the complainant employee to allow the employee to proceed with filing a  
47 lawsuit in court under the provisions of this section, chapter, or other applicable  
48 provisions of law for the alleged violation at issue. The "right to sue" notice shall  
49 specify and be limited to the issues and violations indicated in the complaint.

50 (4) The employee shall have thirty days from the date of his or her receipt of the  
51 "right to sue" notice to file a cause of action or suit in circuit court. Failure to do so

52 shall result in the waiver of the employee's right to file a cause of action or suit for the  
53 alleged violation or violations.

54 4. (1) An employer may make an offer of settlement to the complainant  
55 employee in exchange for terminating the complaint made under subsections 2 and 3 of  
56 this section and a dismissal of such complaint with prejudice by the department. The  
57 employer shall have thirty days from the date of receipt of the department's  
58 investigative report containing the department's findings and conclusions to make an  
59 offer of settlement to the employee.

60 (2) The employee shall have thirty days to consider the offer of settlement and  
61 accept, reject, or make a counter-offer of settlement to the employer, after the  
62 department has issued its investigative report findings or before the "right to sue" letter  
63 has been issued. Each party shall have thirty days to respond to any counter-offers of  
64 settlement made by the other party, except that if no settlement agreement is reached  
65 within one hundred eighty days from the date that the investigative report and its  
66 findings were issued, the department shall issue a "right to sue" notice to the employee  
67 and close the administrative file.

68 (3) Acceptance of the offer or counter-offer of settlement shall result in the  
69 waiver of the employee's right to sue for the specific violations alleged in the original  
70 complaint. If the employee rejects the settlement offer and all additional counter-offers,  
71 or takes no action within the time period allowed for consideration of an offer or  
72 counter-offer of settlement, or if a settlement agreement cannot be reached within the  
73 one-hundred-eighty-day period after the department's investigative report and findings  
74 were issued, the department shall issue a "right to sue" notice and the employee may  
75 proceed in circuit court.

76 (4) The department shall administer the settlement process and, upon valid  
77 acceptance of a settlement offer or counter-offer by both parties, shall issue a notice of  
78 dismissal with prejudice stating that the employee has waived all rights to bring suit for  
79 the specific violations alleged in the complaint and contained within the accepted offer  
80 of settlement.

81 5. Records of the department's investigation and any settlement agreements  
82 negotiated during administrative investigation through the duration of the complaint  
83 process may be released to a requesting party after obtaining written consent from both  
84 the complainant employee and the employer, or from their respective representatives.

85 6. (1) Any employer found to have violated the provisions of this section shall be  
86 subject to penalties as provided by law including, but not limited to, fines, restitution,  
87 and other remedies as deemed appropriate by the court.

88           **(2) Any employee who files suit without first filing a complaint with the**  
89 **department, as required by subsections 2, 3, and 4 of this section, shall have such suit**  
90 **dismissed without prejudice and be required to compensate the employer for all legal**  
91 **fees and associated costs incurred as a result of noncompliance as determined by the**  
92 **court.**

93           **(3) If an employee files suit after receipt of a "right to sue" notice and the court**  
94 **finds that the damages awarded are equal to or less than the greater of the department's**  
95 **finding or the employer's offer of settlement, subject to the applicability of the rules of**  
96 **evidence, the employee shall be liable for all costs incurred by both parties in association**  
97 **with the suit.**

98           **7. The department may promulgate all necessary rules and regulations for the**  
99 **administration of this section. Any rule or portion of a rule, as that term is defined in**  
100 **section 536.010, that is created under the authority delegated in this section shall**  
101 **become effective only if it complies with and is subject to all of the provisions of chapter**  
102 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable**  
103 **and if any of the powers vested with the general assembly pursuant to chapter 536 to**  
104 **review, to delay the effective date, or to disapprove and annul a rule are subsequently**  
105 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**  
106 **adopted after August 28, 2026, shall be invalid and void.**

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