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## OLR Bill Analysis

### HB 6907 (as amended by House "A")\*

#### ***AN ACT CONCERNING THE USE OF QUOTAS BY WAREHOUSE DISTRIBUTION CENTERS.***

#### **SUMMARY**

Starting July 1, 2026, this bill limits the extent to which employers at certain warehouse distribution centers can require their employees to meet production quotas. It generally applies to employers that employ at least (1) 100 employees at a single warehouse distribution center in the state or (2) 1,000 employees at multiple warehouse distribution centers in the state. All of the bill's provisions described below apply starting July 1, 2026.

Among other things, the bill:

1. requires the covered employers to give their employees a written description of the quotas they must meet and any possible adverse employment actions they may face for failing to do so,
2. prohibits the employers from using quotas that (a) prevent compliance with the state law on meal periods or (b) interfere with the employee using bathroom facilities, and
3. sets recordkeeping requirements for employers and requires them to give copies of their quota records to current or former employees who believe that meeting a quota caused a violation of certain provisions in the bill.

The bill allows an employee aggrieved by a violation of the bill's provisions to bring a civil action in Superior Court, which may assess civil penalties for violations. It also prohibits employers from discharging or retaliating against employees solely because they requested their quota records or filed a civil action, and creates a rebuttable presumption that a violation occurred if this happens within

90 days after the request or filing.

\*House Amendment "A" replaces the underlying bill and, among other things, (1) limits the "employees" covered by the bill to those who are not exempt from the federal Fair Labor Standards Act's (FLSA) minimum wage and overtime requirements, (2) removes certain types of quotas from coverage under the bill, (3) specifies certain types of records that are not "work speed data" under the bill, (4) limits the bill's rebuttable presumption to adverse actions following an employee's first records request in a calendar year, and (5) removes a provision that would have required the Workers' Compensation Commission to monitor warehouse injury rates.

EFFECTIVE DATE: October 1, 2025

### **COVERED EMPLOYERS AND EMPLOYEES**

The employers covered by the bill are any domestic or foreign legal or commercial entities that over the previous 12 months employed or exercised control over the wages, hours, or working conditions of at least (1) 100 employees at a single warehouse distribution center in the state or (2) 1,000 employees, in total, at multiple warehouse distribution centers in the state. The employer's exercise of control over the employees may be direct or indirect, or through an agent or another entity, including through the services of a third-party employer, temporary services or staffing agency, independent contractor, or any similar entity.

Under the bill, a warehouse distribution center is an establishment as defined by the following North American Industry Classification System (NAICS) codes, however the establishment is numbered: (1) 493110 for General Warehousing and Storage; (2) 423 for Merchant Wholesalers, Durable Goods; (3) 424 for Merchant Wholesalers, Nondurable Goods; or (4) 454110 for Electronic Shopping and Mail-Order Houses (it appears that this code was removed in the 2022 revision to the NAICS).

"Employees" under the bill are anyone employed at a warehouse

distribution center who is not exempt from FLSA minimum wage and overtime requirements, except drivers or couriers traveling to or from a warehouse distribution center.

### **QUOTAS**

Under the bill, a “quota” is a work performance standard where an employee:

1. is assigned or required to (a) perform at a specified productivity speed, (b) perform a certain number of tasks, or (c) handle or produce a certain amount of material within a defined period and
2. may suffer an adverse employment action for failing to complete or meet that work performance standard.

### ***Quota Disclosure***

The bill requires covered employers to give employees a written description of each quota they are subject to, including any potential adverse employment action that could result from failing to meet it. The employers must do so for their existing employees by August 1, 2026, and upon hiring for employees hired after that date.

Whenever an employer makes a change to an employee’s existing quota that results in a new quota for the employee, the bill requires the employer to (1) notify the employee about the change verbally or in writing as soon as practicable, but before the quota becomes effective, and (2) give the employee a written description of the new quota within two business days after the quota changes.

### ***Prohibited Quotas***

The bill prohibits quotas from (1) preventing compliance with the state law on required meal periods (which generally require employees who must work for at least 7.5 consecutive hours to have a 30-minute meal period) or (2) interfering with an employee’s use of bathroom facilities, including reasonable time to travel to and from them.

Under the bill, paid and unpaid breaks cannot be considered productive time for any quota or employee productivity monitoring

system unless the employee is required to remain on call.

***Adverse Action Ban***

The bill also prohibits employers from taking any adverse action against an employee for failing to satisfy a quota that (1) violates the bill's provision on prohibited quotas or (2) has not been disclosed as the bill requires.

**EMPLOYER RECORDS**

The bill requires employers to establish, maintain, and preserve contemporaneous, true, and accurate records for (1) each employee's personal work speed data, (2) the aggregate work speed data for similar employees at the same warehouse distribution center, and (3) the written quota descriptions given to each employee as required by the bill. The employer must maintain and preserve these records for three years. However, the bill specifies that these requirements do not apply if the employer does not assign or require quotas, or collect, store, analyze, or interpret work speed data.

Under the bill, "work speed data" is information an employer collects, stores, analyzes, or interprets about an employee's quota performance, including quantities of tasks performed, quantities of items or materials handled or produced, rates or speeds of tasks performed, employee performance measurements or metrics in relation to a quota, or time categorized as performing tasks or not performing tasks. It does not include qualitative performance data, personnel records, wage statements, or data an employer collects, stores, analyzes, or interprets that does not relate to performing a quota, except for any content that includes work speed data.

**EMPLOYEE ACCESS TO WORK SPEED DATA**

If employees believe that satisfying a quota caused or will cause a violation of the bill's provisions on prohibited quotas, the bill allows them to request (1) a written description of each quota they were subject to, (2) copies of their personal work speed data records for the past 90 days, and (3) copies of the aggregate work speed data for similar employees at the same warehouse distribution center for the past 90

days. The bill similarly allows former employees to request this same information for the 90 days before they separated from employment with the employer. However, the bill limits a former employee to one of these requests.

The bill requires employers, as a soon as practicable, but no later than 15 calendar days after receiving the request, to provide a written copy of the requested records in English and the language the employee identifies as his or her primary language. If a former employee requested the records, they must be provided through a mutually convenient delivery method.

### ***Anti-retaliation***

The bill prohibits employers from discharging or retaliating, discriminating, or taking any adverse action against an employee or former employee for requesting their quotas and work speed data or filing a civil action as allowed by the bill (see below).

The bill creates a rebuttable presumption that the employer's adverse action violates this prohibition if it occurred within 90 days after the employee or former employee (1) requested their quotas and work speed data for the first time in the calendar year or (2) filed the civil action. The presumption may be rebutted by clear and convincing evidence that the (1) adverse action was taken for other permissible reasons and (2) employee's request or filing was not a motivating factor for the employer's action.

### **CIVIL ACTIONS**

The bill allows any employee or former employee aggrieved by a violation of the bill's provisions, or the attorney general on behalf of a group of employees or former employees, to bring a civil action in Superior Court to recover damages, civil penalties, and injunctive relief. The party that prevails in the case may be awarded attorney's fees and costs. The court may also assess civil penalties against an employer of \$1,000 for its first violation, \$2,000 for its second, and \$3,000 for a third or subsequent violation.

**BACKGROUND*****Related Bills***

SB 8 (File 177), §§ 1-9, reported favorably by the Labor and Public Employees and Appropriations committees, and SB 1254 (File 180), reported favorably by the Labor and Public Employees Committee, include largely similar provisions to this bill. However, SB 8 differs by, among other things, (1) also covering employees exempt under the FLSA's minimum wage and overtime requirements and (2) explicitly covering quotas that count an employee's actions between time performing and not performing tasks, count time increments when an employee is or is not doing a particular activity, or rank employees against each other. SB 1254 differs by, among other things, requiring single warehouses to have at least 250 employees to be covered. Both bills also require the Workers' Compensation Commission to monitor warehouse injury rates.

**COMMITTEE ACTION**

## Labor and Public Employees Committee

Joint Favorable

Yea 9      Nay 4      (03/06/2025)

## Appropriations Committee

Joint Favorable

Yea 38      Nay 12      (05/05/2025)