

Regular Session, 1997

HOUSE BILL NO. 730

BY REPRESENTATIVES FORSTER, BRUNEAU, LANCASTER,
SCALISE, VITTER, AND WINDHORST AND SENATOR
ELLINGTON

EMPLOYMENT/WAGES-MINIMUM: Prohibits any parish or municipality
from establishing a minimum wage rate

1 AN ACT

2 To enact R.S. 23:642, relative to the establishment of a minimum wage rate;
3 to prohibit a local governmental subdivision from establishing a
4 minimum wage rate; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 23:642 is hereby enacted to read as follows:

7 §642. Setting minimum wage, prohibited

8 A. Legislative findings. (1) The Legislature of Louisiana finds
9 that economic stability and growth are among the most important
10 factors affecting the general welfare of the people of this state and are
11 therefore among its own most important responsibilities. Economic
12 stability and growth contribute to the standard of living enjoyed by
13 citizens as employment and income are both dependent on the ability
14 and willingness of businesses to operate in the state.

15 (2) The legislature further finds that wages comprise the most
16 significant expense of operating a business. It also recognizes that
17 neither potential employees nor business patrons are likely to restrict

1 themselves to employment opportunities or goods and services
2 providers in any particular parish or municipality. Consequently, local
3 variation in legally required minimum wage rates would threaten many
4 businesses with a loss of employees to areas which require a higher
5 minimum wage rate and many other businesses with the loss of patrons
6 to areas which allow for a lower wage rate. The net effect of this
7 situation would be detrimental to the business environment of the state
8 and to the citizens, businesses, and governments of the various local
9 jurisdictions as well as the local labor market.

10 (3) The legislature concludes from these findings, that in order
11 for a business to remain competitive and yet to attract and retain the
12 highest possible caliber of employees, and thereby to remain sound, an
13 enterprise must work in a uniform environment with respect to
14 minimum wage rates. The net impact of local variation in mandated
15 wages would be economic instability and decline and a decrease in the
16 standard of living for the citizens of the state. Consequently, decisions
17 regarding minimum wage policy must be made by the state so that
18 consistency in the wage market is preserved.

19 B. Therefore, pursuant to the police powers ultimately reserved
20 to the state by Article VI, Section 9 of the Constitution of Louisiana, no
21 local governmental subdivision shall establish a minimum wage rate
22 which a private employer would be required to pay employees.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Forster, et al.

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Proposed law states legislative findings that economic stability and growth are among the most important factors affecting the general welfare of the state's people, that local variation in legally required minimum wage rates would be detrimental to the economic stability of the state, and that decisions regarding minimum wage policy must be made by the state if consistency in the wage market is to be preserved. Consequently, pursuant to the police powers which are reserved to the state by present constitution, proposed law prohibits any parish or municipality from establishing a minimum wage rate.

(Adds R.S. 23:642)