

Regular Session, 1997

HOUSE BILL NO. 730 (Duplicate of Senate Bill No. 988)

BY REPRESENTATIVE FORSTER AND SENATOR ELLINGTON AND
COAUTHORED BY REPRESENTATIVES BRUNEAU,
LANCASTER, SCALISE, VITTER, WINDHORST, BARTON,
BOWLER, BRUN, CRANE, DEVILLE, FRITH, FRUGE, MICHOT,
PERKINS, AND POWELL AND SENATORS DEAN, HAINKEL,
AND SHORT

AN ACT

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

Be it enacted by the Legislature of Louisiana:

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

§642. Setting minimum wage, prohibited

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

(2) The legislature further finds that wages comprise the most significant expense of operating a business. It also recognizes that neither potential employees nor business patrons are likely to restrict themselves to employment opportunities or goods and services providers in any particular parish or municipality. Consequently, local

variation in legally required minimum wage rates would threaten many businesses with a loss of employees to areas which require a higher minimum wage rate and many other businesses with the loss of patrons to areas which allow for a lower wage rate. The net effect of this situation would be detrimental to the business environment of the state and to the citizens, businesses, and governments of the various local jurisdictions as well as the local labor market.

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

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____