

2018 Regular Session

SENATE BILL NO. 159

BY SENATOR CARTER

EMPLOYMENT. Repeals restrictions which prohibit local governmental subdivisions from enacting local labor ordinances which establish a minimum wage. (8/1/18)

1 AN ACT

2 To amend and reenact R.S. 23:642, relative to the setting of local wages; to repeal the
3 provisions that prohibit local governmental subdivisions from establishing a local
4 minimum wage rate which a private employer would be required to pay or grant
5 employees; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 23:642 is hereby amended and reenacted to read as follows:

8 §642. Setting ~~minimum wage or~~ **local** employee benefits; prohibited

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

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

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

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

20 B. Therefore, pursuant to the police powers ultimately reserved to the state
21 by Article VI, Section 9 of the Constitution of Louisiana, no local governmental
22 subdivision shall establish a mandatory, minimum number of vacation or sick leave
23 days, whether paid or unpaid, ~~or a minimum wage rate~~ which a private employer
24 would be required to pay or grant employees.

25 Section 2. The legislature, by repealing the ban on the local enactment of a minimum
26 wage, does not intend nor shall it be construed to authorize any local governmental
27 subdivision to adopt a minimum wage rate which is lower than and in violation of the
28 minimum wage rate set forth in the applicable federal or state law.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Carla S. Roberts.

DIGEST

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Present law provides that the Legislature of Louisiana finds all of the following:

- (1) 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.
- (2) That 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.
- (3) That wages and employee benefits comprise the most significant expense of operating a business.
- (4) 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 or mandatory minimum number of vacation or sick leave days 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 and more or less vacation or sick leave days. 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.

Proposed law provides that the Legislature of Louisiana finds that a livable wage is also among the most important factors affecting the general welfare of the people of this state.

Present law provides that the legislature concludes from legislative 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 and mandatory minimum number of vacation or sick leave days. Present law further provides that the net impact of local variation in mandated wages and mandatory, minimum number of vacation or sick leave days 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 and employee benefit policy must be made by the state so that consistency in the wage market is preserved.

Present law provides that, pursuant to the police powers ultimately reserved to the state by Article VI, Sec. 9 of the La. Const. no local governmental subdivision shall establish a mandatory, minimum number of vacation or sick leave days, whether paid or unpaid, or a minimum wage rate which a private employer would be required to pay or grant employees.

Proposed law retains present law which prohibits local governmental subdivisions from setting minimum vacation and sick leave days which must be provided by employers which are located within the boundaries of the local governmental subdivision.

Proposed law repeals present law prohibiting local governmental subdivisions from setting a minimum wage rate and allows local governmental subdivisions to set rates of minimum wage which must be provided by employers which are located within the boundaries of the local governmental subdivision.

Present law clarifies that the legislature, by repealing present law prohibiting local governmental subdivisions from setting a minimum wage rate, does not intend nor shall it be construed to authorize any local governmental subdivision to adopt a minimum wage rate which is lower than and in violation of the minimum wage rate set forth in the applicable federal or state law.

Effective August 1, 2018.

(Amends R.S. 23:642)