

2016 Regular Session

SENATE BILL NO. 347

BY SENATORS CARTER, BARROW, BISHOP AND MORRELL

EMPLOYMENT. Repeals restrictions which bar local governmental subdivisions from enacting local labor ordinances which establish a minimum wage and a minimum number of vacation and sick leave days. (8/1/16)

1 AN ACT

2 To repeal R.S. 23:642, relative to the setting of local wages and benefits; to repeal the
3 prohibition that bars local governmental subdivisions from establishing a local
4 minimum wage rate which a private employer would be required to pay or grant
5 employees; to repeal the prohibition that bars local governmental subdivisions from
6 establishing local mandatory, minimum number of vacation or sick leave days,
7 whether paid or unpaid; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 23:642 is hereby repealed in its entirety.

10 Section 2. The legislature, by repealing R.S. 23:642, does not intend nor shall it be
11 construed to authorize any local governmental subdivision to adopt a minimum wage rate
12 which is lower than and in violation of the minimum wage rate set forth in the applicable
13 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

SB 347 Engrossed

2016 Regular Session

Carter

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.

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 repeals present law and allows local governmental subdivisions to set rates of minimum wage and minimum vacation and sick leave days 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, 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, 2016.

(Repeals R.S. 23:642)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Labor and Industrial Relations to the original bill

1. Clarifies that by repealing present law, the legislature does not intend authorize local governments to enact a lower minimum wage than the applicable federal or state law.