



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 677 HLS 14RS 483
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.: REVISED

Date: April 3, 2014 2:17 PM Author: HUNTER
Dept./Agy.: Ouachita Parish Analyst: Anne Burns
Subject: Local Minimum Wage

EMPLOYMENT/WAGES-MINIMUM OR +\$289,000 GF EX See Note Page 1 of 2
Provides for a local minimum wage for Ouachita Parish

Purpose of Bill: This measure would establish a local minimum wage in Ouachita Parish. It would be set at \$7.25 per hour beginning January 1, 2015 and then \$8.25 per hour beginning January 1, 2016. It requires that the employers of tipped employees make up the difference between the \$2.13 per hour paid to the employee plus tips and the local minimum wage. It further requires that if the federal minimum wage is raised, the local minimum wage shall also be raised. This measure establishes legal liability for an employer who fails to pay an employee local minimum wage.

Table with 7 columns: EXPENDITURES, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION

There may be an increase in State General Fund, Agency Self-Generated Fund and Local Fund expenditures as a result of this measure. We surveyed several agencies in the area and were informed that expenditures may increase due to the mandatory increase in hourly wages from \$7.25 to \$8.25.

State Impact

University of Louisiana at Monroe - There may be an increase in State General Fund expenditures of \$122,000 in fiscal year 2015-16 and \$245,000 in subsequent fiscal years.

Louisiana Delta Community College - There may be an increase in Agency Self-Generated Fund expenditures of \$20,000 in fiscal year 2015-16 and \$40,000 in subsequent fiscal years.

Department of State Civil Service - There may be an increase in State General Fund expenditures of \$22,000 in fiscal year 2015-16 increasing to \$44,000 for fiscal year 2018-19.

Local Impact

Ouachita Parish School Board - There may be an increase in Local Fund expenditures of \$53,000 in fiscal year 2015-16 increasing to \$107,000 in subsequent fiscal years.

City of Monroe - There may be an increase in Local Fund expenditures of \$100,000 in fiscal year 2015-16, \$300,000 in fiscal year 2016-17, \$310,000 in fiscal year 2017-18, and \$320,000 in fiscal year 2018-19.

City of West Monroe - There may be an estimated increase in Local Fund expenditures of \$94,500 in fiscal year 2015-16 increasing to \$189,000 in subsequent fiscal years.

Expenditure Explanation continued on page 2.

REVENUE EXPLANATION

The impact of this bill on governmental revenues is indeterminable. We were unable to determine the overall impact of this bill on governmental revenues due to the lack of reliable data regarding the impact of minimum wage increases on governmental revenues (e.g., sales taxes, income taxes.)

Senate Dual Referral Rules House [X] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} [ ] 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}
[ ] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} [ ] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}
Joy Irwin Director of Advisory Services



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CONTINUED EXPLANATION from page one:

Continued Expenditure Explanation (from page 1)

Ouachita Parish Police Jury - There may be an increase in Local Fund expenditures of \$7,000 in fiscal year 2015-16 increasing to \$15,000 in subsequent fiscal years.

Ouachita Parish Sheriff - There is no anticipated effect on Local Fund expenditures as a result of this measure because all current positions receive above \$8.25 minimum wage provided in this bill.

Senate Dual Referral Rules House
[checked] 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
[checked] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[ ] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
[ ] 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}
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