

Regular Session, 2014

HOUSE BILL NO. 644

BY REPRESENTATIVE HUNTER

EMPLOYMENT/WAGES-MINIMUM: Provides with respect to the prohibition of any parish or municipality establishing a minimum wage rate

1 AN ACT

2 To amend and reenact R.S. 23:642, relative to the prohibition of local minimum wage and
3 employee benefits policy; to delete the prohibition of a local governmental
4 subdivision to establish a minimum wage; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

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

7 §642. Setting minimum wage or employee benefits; prohibited

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

14 (2) The legislature further finds that ~~wages and~~ employee benefits comprise
15 ~~the most~~ a significant expense of operating a business. It also recognizes that neither
16 potential employees nor business patrons are likely to restrict themselves to
17 employment opportunities or goods and services providers in any particular parish
18 or municipality. Consequently, local variation in legally required ~~minimum wage~~
19 ~~rates or~~ mandatory, minimum number of vacation or sick leave days would threaten

1 many businesses with a loss of employees to areas which require a ~~higher minimum~~
 2 ~~wage rate and many other businesses with the loss of patrons to areas which allow~~
 3 ~~for a lower wage rate and more or less~~ vacation or sick leave days. The net effect of
 4 this situation would be detrimental to the business environment of the state and to
 5 the citizens, businesses, and governments of the various local jurisdictions as well
 6 as the local labor market.

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

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

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Hunter

HB No. 644

Abstract: Removes the prohibition against local governmental entities from setting a local minimum wage rate.

Present law provides that economic stability and growth are among the most important factors affecting the general welfare of the state's people and that local variation in legally required minimum wage rates and local mandates on vacation or sick leave days would be detrimental to the economic stability of the state.

Present law further provides that decisions regarding minimum wage and employee benefits policy must be made by the state if consistency in the wage market is to be preserved.

Present law provides that pursuant to the police powers which are reserved to the state by the constitution, no parish or municipality can establish its own minimum wage rate.

Proposed law deletes present law regarding the reference to police powers.

Proposed law removes the prohibition against local governmental entities establishing local minimum wage policy.

(Amends R.S. 23:642)