



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 676** HLS 14RS 482
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 2, 2014 9:51 AM	Author: HUNTER
Dept./Agy.: City of Monroe	Analyst: Anne Burns
Subject: Local Minimum Wage	

EMPLOYMENT/WAGES-MINIMUM OR +\$245,000 GF EX See Note Page 1 of 1
 Provides a local minimum wage for the City of Monroe

Purpose of Bill: This measure would establish a local minimum wage in the City of Monroe. 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.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$122,000	\$245,000	\$245,000	\$245,000	\$857,000
Agy. Self-Gen.	\$0	\$18,000	\$35,000	\$35,000	\$35,000	\$123,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$109,000</u>	<u>\$318,000</u>	<u>\$328,000</u>	<u>\$338,000</u>	\$1,093,000
Annual Total	\$0	\$249,000	\$598,000	\$608,000	\$618,000	\$2,073,000

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

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 2015-2016 and \$245,000 in subsequent fiscal years.

Louisiana Delta Community College - There may be an increase in Agency Self-Generated Fund expenditures of \$18,000 in fiscal year 2015-2016 and \$35,000 in subsequent fiscal years.

Department of State Civil Service - They are unable to determine a fiscal note on this measure because they do not have data to determine if any state employee is employed in the City of Monroe.

Local Impact

City of Monroe - There may be an increase in Local Fund expenditures of \$100,000 in fiscal year 2015-2016, \$300,000 in fiscal year 2016-2017, \$310,000 in fiscal year 2017-2018, and \$320,000 in fiscal year 2018-2019.

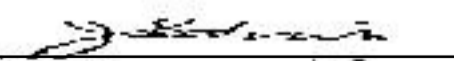
Quachita Parish School Board - There may be an increase in Local Fund expenditures of \$3,000 in fiscal year 2015-2016 and \$7,000 in subsequent fiscal years.

Quachita Parish Police Jury - There may be an increase in Local Fund expenditures of \$6,000 in fiscal year 2015-2016 and \$11,000 in subsequent fiscal years.

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

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.

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