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FISCAL IMPACT STATEMENT

LS 6183 | **NOTE PREPARED:** Feb 8, 2005
BILL NUMBER: SB 19 | **BILL AMENDED:** Feb 8, 2005

SUBJECT: Limits on Local Wage Setting Powers.

FIRST AUTHOR: Sen. Young R. Michael | **BILL STATUS:** CR Adopted - 1st House
FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL** **DEDICATED** **FEDERAL** | **IMPACT:** Local

Summary of Legislation: This bill prohibits a unit from establishing, mandating or requiring the payment of a wage which exceeds the state minimum wage pursuant to IC 22-2-2-4. The bill also voids all existing ordinances, rules or policies of a unit that provide for such a wage.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This bill prohibits a local unit of government from requiring payment of a wage which exceeds the state minimum wage. This provision will have an indeterminable impact on local expenditures. The state minimum wage is currently $5.15, as provided in IC 22-2-2-4.

It is currently unknown how many units have mandates requiring payment of a wage exceeding the state minimum wage. To the extent that this provision voids any existing ordinances, there would be a savings to the local unit by not being required to pay a wage above the state minimum wage to every employee. Ultimately the fiscal impact on local units will be determined by the hiring practices at the local level.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Counties; municipalities; townships.

Information Sources:

Fiscal Analyst: Adam Brown, 317-232-9854.