

Regular Session, 2012

SENATE BILL NO. 521

BY SENATOR JOHNS

EMPLOYMENT. Prohibits a parish or municipality from establishing a mandatory, minimum number of employee vacation or sick leave days. (8/1/12)

1 AN ACT

2 To amend and reenact the heading of R.S. 23:642 and 642(A)(2), (3), and (B), relative to  
3 employment; to prohibit a parish or municipality from establishing certain minimum,  
4 mandatory leave days; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. The heading of R.S. 23:642 and 642(A)(2), (3), and (B) are hereby  
7 amended and reenacted to read as follows:

8 §642. Setting minimum wage or employee benefits, prohibited

9 A. \* \* \*

10 (2) The legislature further finds that wages and employee benefits comprise  
11 the most significant expense of operating a business. It also recognizes that neither  
12 potential employees nor business patrons are likely to restrict themselves to  
13 employment opportunities or goods and services providers in any particular parish  
14 or municipality. Consequently, local variation in legally required minimum wage  
15 rates or mandatory, minimum number of vacation or sick leave days would  
16 threaten many businesses with a loss of employees to areas which require a higher  
17 minimum wage rate and many other businesses with the loss of patrons to areas

1 which allow for a lower wage rate **and more or less vacation or sick leave days**.

2 The net effect of this situation would be detrimental to the business environment of  
3 the state and to the citizens, businesses, and governments of the various local  
4 jurisdictions as well as the local labor market.

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

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

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The original instrument was prepared by Carla S. Roberts. The following  
digest, which does not constitute a part of the legislative instrument, was  
prepared by Michelle Broussard-Johnson.

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#### DIGEST

Johns (SB 521)

Present law provides for legislative findings as follows:

1. That economic stability and growth are among the most important factors affecting the general welfare of the state's people.
2. That local variation in legally required minimum wage rates would be detrimental to the economic stability of the state.
3. That decisions regarding minimum wage 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 retains present law but adds employee benefits, in the form of a mandatory, minimum number of vacation or sick leave days, whether paid or unpaid, to the items which a parish or municipality may not establish.

Effective August 1, 2012.

(Amends R.S. 23:642 and 642(A)(2), (3) and (B))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to reengrossed bill

1. Technical amendments made.