LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS FISCAL IMPACT STATEMENT

LS 6215 NOTE PREPARED: Nov 7, 2024

BILL NUMBER: SB 100 BILL AMENDED:

SUBJECT: Local Regulation of Wages and Benefits.

FIRST AUTHOR: Sen. Jackson L BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL IMPACT: State & Local

 $\begin{array}{cc} \underline{X} & DEDICATED \\ \underline{X} & FEDERAL \end{array}$

<u>Summary of Legislation:</u> The bill repeals certain provisions prohibiting a unit from establishing minimum wage or employee benefit standards.

Effective Date: July 1, 2025.

Explanation of State Expenditures: The bill repeals IC 22-2-2-10.5 which prevents local units from setting a minimum wage higher than the state minimum wage. If a local unit were to set a minimum wage higher than the state minimum wage, the state may experience increased costs for salaries of employees working within the geographical boundaries of the local unit.

Explanation of State Revenues:

Explanation of Local Expenditures: If a local unit were to set a minimum wage higher than the state minimum wage, the local unit may experience increased costs for salaries for local employees.

To the extent that any additional increases to employee benefits or wages could cause increased or improved employment retention, local units may forgo some costs for employee training. The impact is indeterminate at this time. Currently, a local unit may not require employers within its jurisdiction to provide a benefit, term of employment, working condition, or an attendance, scheduling, or leave policy that exceeds the requirements of state or federal laws, rules, or regulations. It is unknown if the repeal of the prohibition would result in local units adopting new benefit requirements for employers.

Explanation of Local Revenues:

State Agencies Affected: State agencies as employers.

Local Agencies Affected: Local units as employers.

Information Sources:

SB 100 1

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SB 100 2