Living Wage Mandate Preemption Act

Section 1. (Short Title.) This Act shall be known as the Living Wage Mandate Preemption Act.

Section 2. (Legislative Declarations.) This legislature finds and declares that:

(A) Economic stability and growth are among the most important factors affecting the general welfare of the people of this state, and that economic stability and growth are therefore among the most important matters for which the Legislature is responsible;

(B) Mandated wage rates comprise a major cost component for private enterprises, and are among the chief factors affecting the economic stability and growth of this state;

(C) Local variations in mandated wage rates threaten many businesses with a loss of employees to areas which require higher mandated wage rates, threaten many other businesses with the loss of patrons to areas which allow lower mandated wage rates, and are therefore detrimental to the business environment of the state and to the citizens, businesses, and governments of the various political subdivisions as well as local labor markets;

(D) In order for businesses to remain competitive and yet attract and retain the highest possible caliber of employees, private enterprises in this state must be allowed to function in a uniform environment with respect to mandated wage rates; and

(E) Legislated wage disparity between political subdivisions of this state creates an anticompetitive marketplace that fosters job and business relocation.

Section 3. (Definitions.)

(A) For purposes of this title, “political subdivision” includes, but is not limited to, a municipality, city, county, township, village, school district, special purpose district, public service district, or any local government of this state.

(B) For purposes of this title, “living wage mandate” means any requirement enacted by a political subdivision of this state that requires an employer to pay any or all of its employees a wage rate not otherwise required under this state’s law or federal law.

(C) For purposes of this title, “employer” includes, but is not limited to, any person acting directly or indirectly in the interest of an employer in relation to an employee and includes a public agency (other than the government of the United States), as well as employers that have contracts or subcontracts with the political subdivision or that have received tax abatements, loan guarantees, or other financial assistance from the political subdivision.

(D) For purposes of this title, “employee” means any individual employed by an employer.

(E) For purposes of this title, “employ” includes to suffer or permit to work.

(F) For purposes of this title, “person” means an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons.

Section 4. (Repeal and Preemption of Local Law.)

(A) Except as provided in Section 4 (B) and Section 5, any and all living wage mandates enacted by any political subdivision of this state are repealed.

(B) Except as provided in Section 5, no political subdivision of this state may enact, maintain, or enforce by charter, ordinance, purchase agreement, contract, regulation, rule, or resolution, either directly or indirectly, a living wage mandate in an amount greater than this state’s applicable state minimum wage [or, if applicable: “in the federal
Section 5. {Severability Clause.}

(A) The prohibitions in Section 4 of this title shall not [choose any/all of the following]:

1. Prohibit a political subdivision of this state from enacting, maintaining, or enforcing through a collective bargaining agreement or other means a minimum wage requirement governing compensation paid by that political subdivision to employees of that political subdivision;

2. Apply to a collective bargaining agreement negotiated between a political subdivision and the bargaining representative of the employees of the political subdivision;

3. Limit, restrict, or expand a prevailing wage required under existing state law [cite code/statute];

4. Apply when applicable federal law requires the payment of a prevailing or minimum wage to persons working on projects funded in whole or in part by federal funds.

Section 6. {Repealer Clause.}

Section 7. {Effective Date.}

Adopted by the CIED Task Force at the 2001 States and Nation Policy Summit. Approved by the ALEC Board of Directors in January, 2002.