

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2020 REGULAR SESSION**

MEASURE

2020 BR NUMBER 132

SENATE BILL NUMBER 13

TITLE AN ACT relating to wages.

SPONSOR Senator Reginald Thomas

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: _____

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		Indeterminable	Indeterminable	Indeterminable
EXPENDITURES				
NET EFFECT		Interminable	Indeterminable	Indeterminable

() indicates a decrease/negative

PURPOSE OF MEASURE: The purpose of this measure is to raise the state minimum wage and to increase the applicable threshold of employees of retail store and service industries from \$95,000 to \$500,000 average annual gross volume of sales for the employer.

FISCAL EXPLANATION: The definition of an employee in this chapter excludes individuals subject to the provisions of KRS Chapters 7, 16, 27A, 30A, and 18A. Although this measure does not require state employees to receive the proposed wage increase, it is unlikely state agencies would pay below minimum wage; however, the fiscal impact for all state agencies to meet the wage increase would be minimal.

The overall impact of SB 13 is indeterminable. Rising wages could have a positive impact on state income tax collections if employment rates remained the same; however, employers may reduce the number of employees/hours worked to offset increasing wage expenses, which would reduce the amount of state income tax collected.

*KRS 6.945 may apply and any fiscal impact upon cities would be addressed in a local mandate.

DATA SOURCE(S): LRC Staff

PREPARER: Sara Rome **NOTE NUMBER:** 77 **REVIEW:** JAB **DATE:** 1/21/2020