



with some studies indicating that minimum wage increases can result in job losses, especially among low-skilled workers. However, other studies, such as a 2021 analysis from the Economic Policy Institute, suggest that minimum wage increases in the public sector can lead to higher wages for low-wage workers, reduced poverty, and no significant job losses or negative effects on government budgets. Nevertheless, local governments would experience an increase in payroll costs if their number of employees remained constant, although the extent of this increase would vary by location.

Counties and cities may impose an occupational license tax on salaries, wages, commissions, and compensation earned for activities conducted in the county, with some exceptions. The occupational license fee counties may impose ranges from 1% to 1.25%, depending on county population. License fees paid to a city are, generally, credited against the county license fee. Counties that have not imposed or do not have authority to impose an occupational license fee would not enjoy increased revenue from HB 471 and would have increased salary expenses for their minimum wage employees.

### **Part III: Differences to Local Government Mandate Statement from Prior Versions**

Part II refers to HB 471 as introduced.

**Data Source(s):** LRC staff, Bureau of Labor Statistics

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