



129th MAINE LEGISLATURE

LD 1098

LR 1024(01)

An Act To Help Small Employers by Making the Minimum Wage Increase More Gradual in Nonurban Areas

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Keim of Oxford

Committee: Labor and Housing

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$68,064	\$91,546	\$94,415	\$97,565
Appropriations/Allocations				
General Fund	\$68,064	\$91,546	\$94,415	\$97,565

Fiscal Detail and Notes

The Regulation and Enforcement program within the Department of Labor will require ongoing General Fund appropriations of \$68,064 in fiscal year 2019-20 and \$91,546 in fiscal year 2020-21 for one Labor and Safety Inspector position and related All Other costs necessary to respond to an anticipated increase in the number of reported instances of violations associated with the establishment of an alternative minimum wage for certain areas of the State.

This bill establishes an alternative minimum wage for all areas of the State other than Cumberland County except for the towns of Baldwin, Bridgton, Harrison and Naples. The alternative minimum wage increases the hourly wage by 50 cents per hour on January 1, 2021 and an additional 50 cents per hour on January 1, 2022 instead of \$1.00 per hour on January 1, 2020. The bill also delays the cost-of-living adjustment for the current minimum wage to January 1, 2024, changes the timing of the increase from every year to every 3 years and changes the calculation of the increase from the average increase over the prior year to the average increase over the prior 3 years.

These changes in the minimum wage law may result in savings to the State and municipalities beginning in fiscal year 2019-20, depending on the wages currently in place and decisions on future wages when increases required by law are less than they would have been under current law.