



**COUNCIL OF
STATE CHAMBERS**



State by State:

**Trending State & Local
Employment Issues**

Bill Kramer
Policy Director, COSC
bill@statechambers.org

EMPLOYER MANDATES

NEW MEXICO IS NOT ALONE.

EMPLOYER MANDATES

An Employer Mandate is when the government (federal, state, local) legally requires an employer to run their business in a specific way.

EMPLOYER MANDATES

An Employer Mandate is when the government (federal, state, local) legally requires an employer to run their business in a specific way.

Examples:

- **Minimum Wage**
- **ACA's Health Care Coverage Requirements**
- **Paid Leave Requirements**
- **Many more...**

EMPLOYER MANDATES

Key is to look at the Cumulative Impact of employer mandates on businesses.

EMPLOYER MANDATES

Key is to look at the Cumulative Impact of employer mandates on businesses.

Will any one of these individually force someone out of business? Probably not.

But when states and localities pass new mandates on businesses each year, it becomes very difficult to absorb all the changes.

Employer Mandates



The Total Impact List for Taxes, Fees & Mandates

The Vermont Chamber has created this list for taxes, fees and mandates created by government action between 2010 and 2015, with an eye on 2016. Email Kendal Melvin (kmelvin@vtchamber.com) if you have one to add to the list.

Passed in 2015 - 2016 Biennium

- Mandating paid sick leave, costing employers up to **\$11 million** annually in added labor expenses;
- "Ban the box" legislation, prohibiting inquiries about criminal convictions on job applicants;
- A Senate Resolution urging the Vermont Congressional delegation to oppose the Trans-Pacific Partnership Agreement being considered on a Federal level. The ability to sell American goods and services outside of our borders is crucial to continued economic growth and job creation. The Vermont Chamber supports trade policies that enhance the capabilities of Vermont companies to engage in the international marketplace;
- Increasing government imposed fees, including **\$220,300** in new restaurant licensing charges, **\$65,400** in new bakery licensing charges, and **\$103,000** in new lodging licensing charges. Additionally, **\$444,000** in new revenue will be generated from increases in Act 250 fees. Total fee increases raise **\$3.6 million**;
- Various income tax changes: capping itemized deductions at 2.5 times the standard amount (excluding charitable giving and medical deductions which are fully allowed), eliminating the deduction of state and local income taxes, and the implementing a three percent minimum tax for filers with over \$150,000 adjusted gross income. Raises **\$22.9 million**;
- Raising the cigarette tax **\$0.33** and commensurate increases in taxes on other tobacco products, making the State cigarette tax **\$3.08** per pack, raises **\$3.2 million**;
- Applying the State meals tax to vending machine sales, raises **\$1 million**;

CURRENT LANDSCAPE

- **Congressional Inaction**
- **Union-Funded Grassroots Campaigns**
- **Local Interventions**
- **Popularity**
- **Ballot Measures**

The Washington Post

The Post's View

A worker-scheduling bill would be bad for business in D.C.

By Editorial Board July 2

THE D.C. Council last month pulled back on plans to vote on a measure that would dictate how businesses in the city schedule their employees. We would like to think this was a sign of the council finally coming to its senses about what it demands of companies that try to operate in the city. But the fact that this cockamamie idea got as far as it did — with its author promising he'll be back for another try — shows the troubling tendency of local lawmakers to get behind policies they think will burnish their progressive credentials with little regard for the real-world consequences.

MINIMUM WAGE

TODAY

29 states

**and D.C. have
minimum
wages above
federal \$7.25
per hour**

2014

13 states

**raised
minimum
wage – 9 via
legislation,
and 4 by ballot**

2015

1 state

**Rhode Island
raised its
minimum
wage via
legislation**

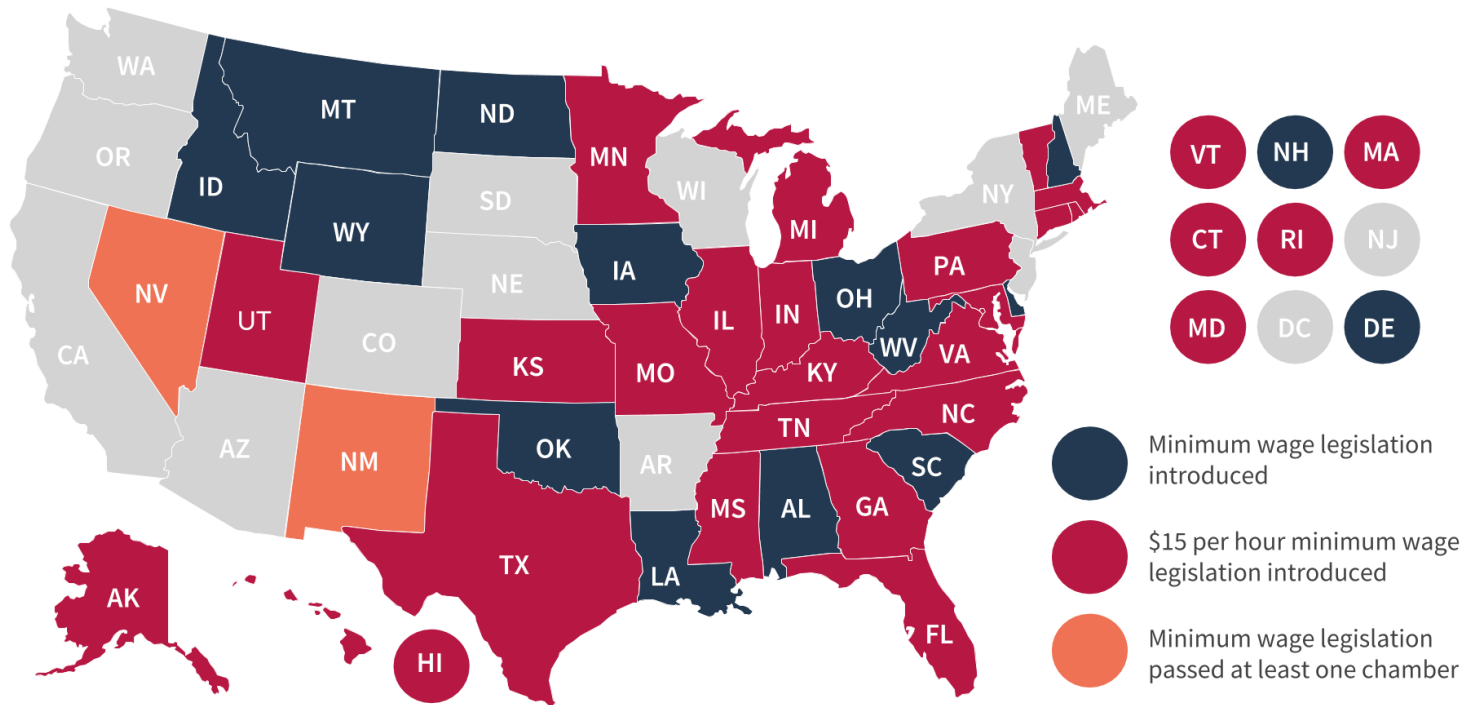
2016

7 states

**3 & D.C. raised
wage via
legislation; 4
states via ballot
measures**

MINIMUM WAGE

Minimum Wage Legislation: 2017 Which States are Considering Raising the Wage in 2017?



Source: MultiState Issue Management service.

Note: In 2017, lawmakers in 38 states introduced minimum wage increases -- 23 of which were for \$15 an hour -- and two states passed minimum wage increases through at least one chamber (updated 5/8/2017).

MULTISTATE

LOCAL ORDINANCES

TODAY

39 Localities

have minimum wages higher than state rates

2014

12 localities

Chicago (\$13), Seattle (\$15), San Francisco (\$15) + 9 other localities raised the wage

2015

16 localities

St. Louis (\$11), Tacoma (\$12), Los Angeles (\$15) + 13 other localities raised the wage

2016

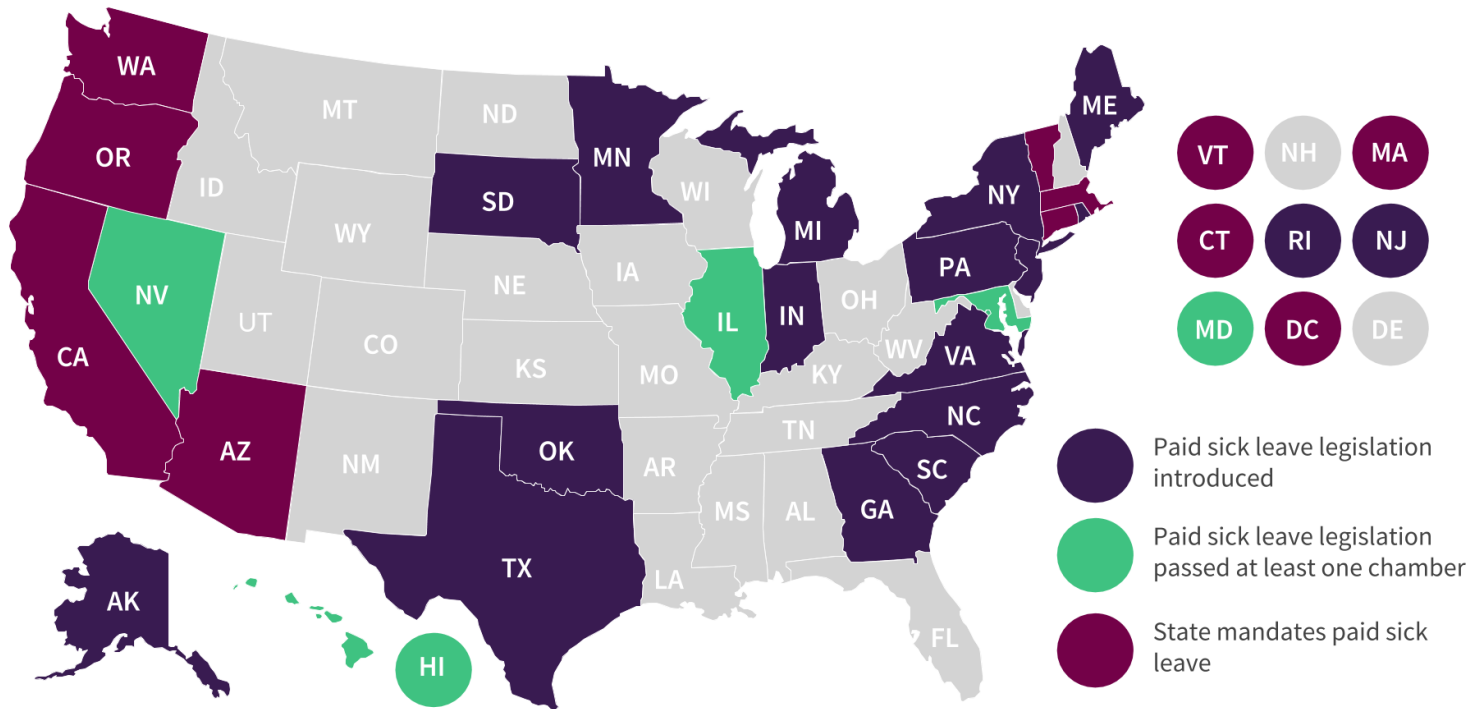
Proposals to raise the wage to \$15 per hour in Baltimore, Minneapolis, Montgomery County, MD

Before 2012, only 5 localities had minimum wage laws. That year San Francisco and Santa Fe passed minimum wage increases. Federal rate at \$7.25 since 2009.

PAID SICK LEAVE

Paid Sick Leave

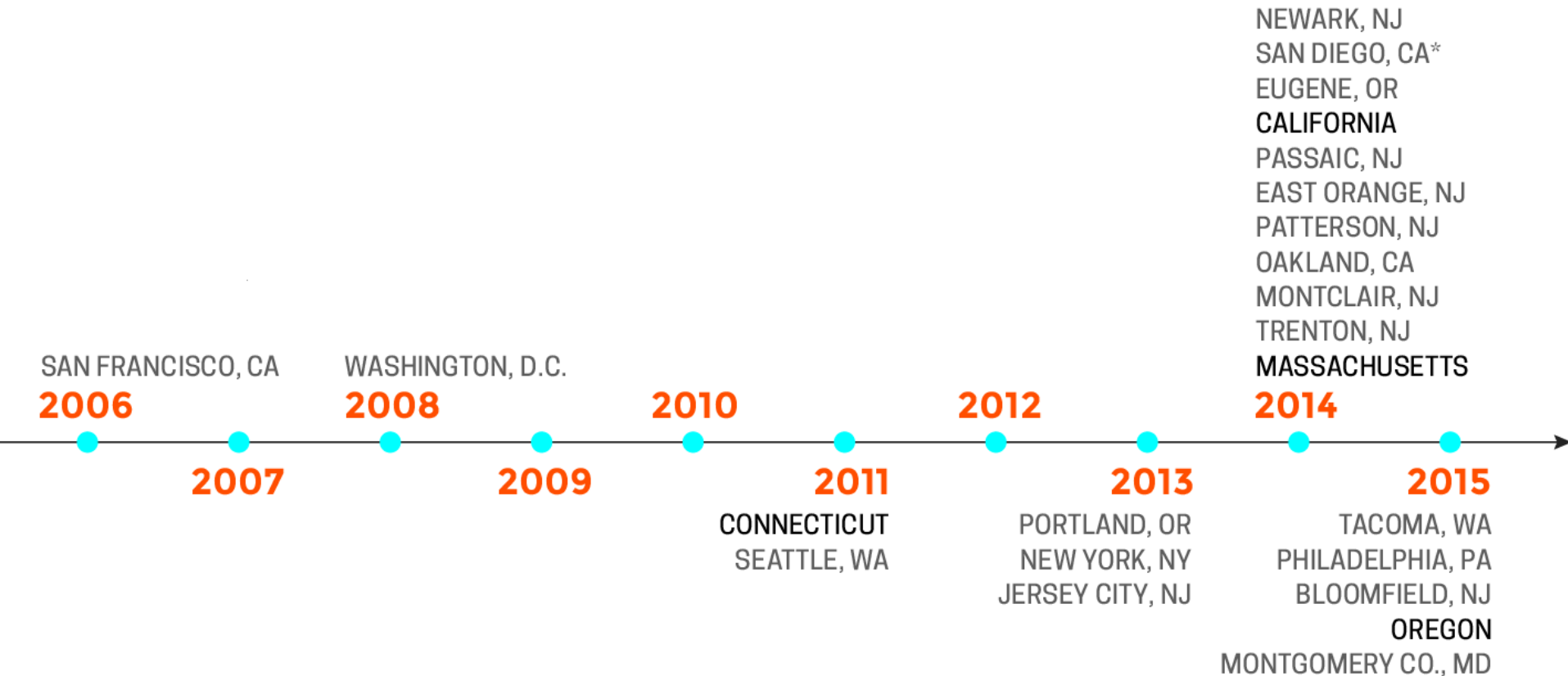
Which States Have Introduced Legislation to Mandate Paid Sick Leave in 2017?



Source: MultiState Issue Management service.

Note: Seven states and Washington, D.C., currently have paid sick leave mandates. In 2017, lawmakers in 20 states introduced paid sick leave legislation and 4 states pass paid sick leave through at least one legislative chamber (updated 6/16/2017).

PAID SICK LEAVE



32 Localities have paid sick leave ordinances, along with **6 states**

EMPLOYER MANDATES

What else to **keep an eye on:**

- **Marijuana Legalization**
- **Ban-the-Box**
- **Pregnancy Accommodations**
- **Retirement Program Mandates (auto-enroll IRAs)**

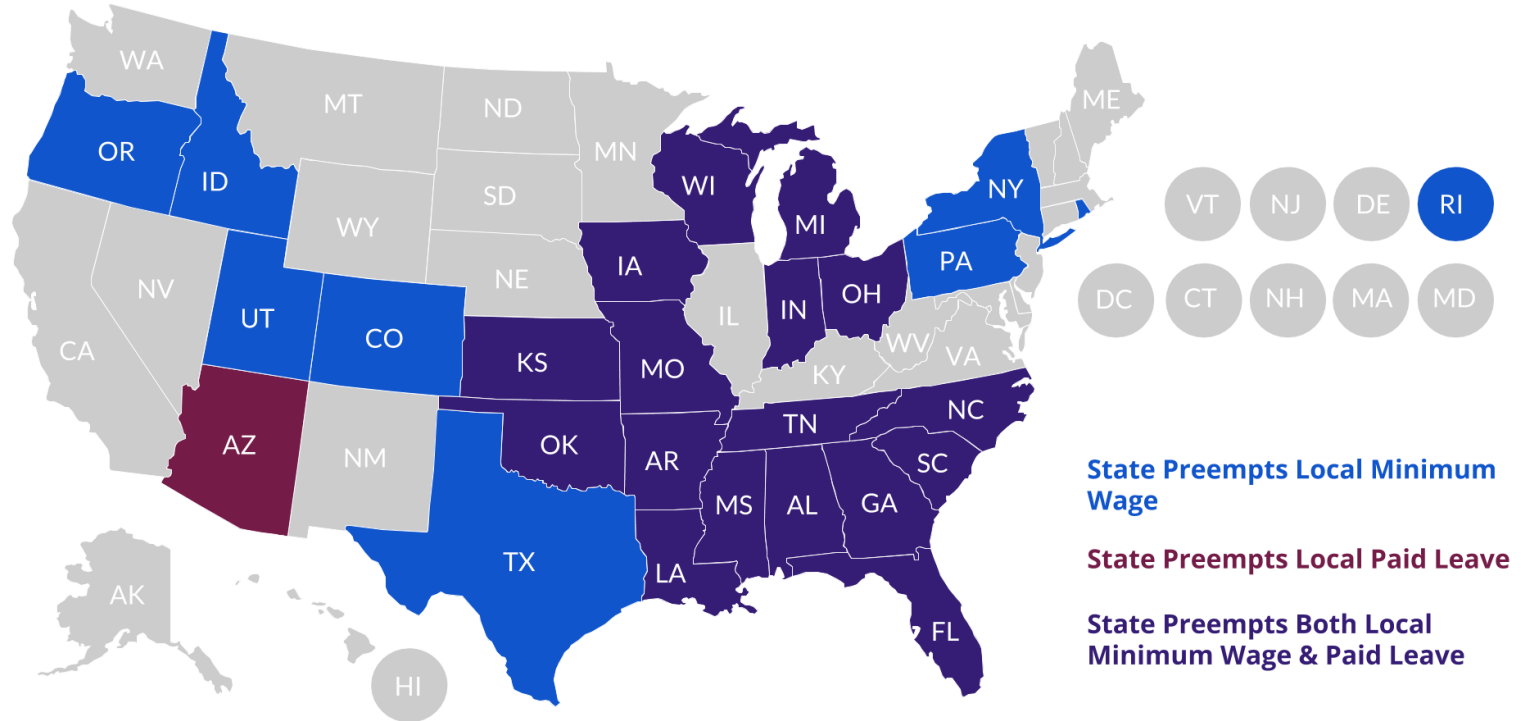
STATE RESPONSES

What strategies have state and the business community taken?

- **Local Preemption**
- **Compromise**

PREEMPTION

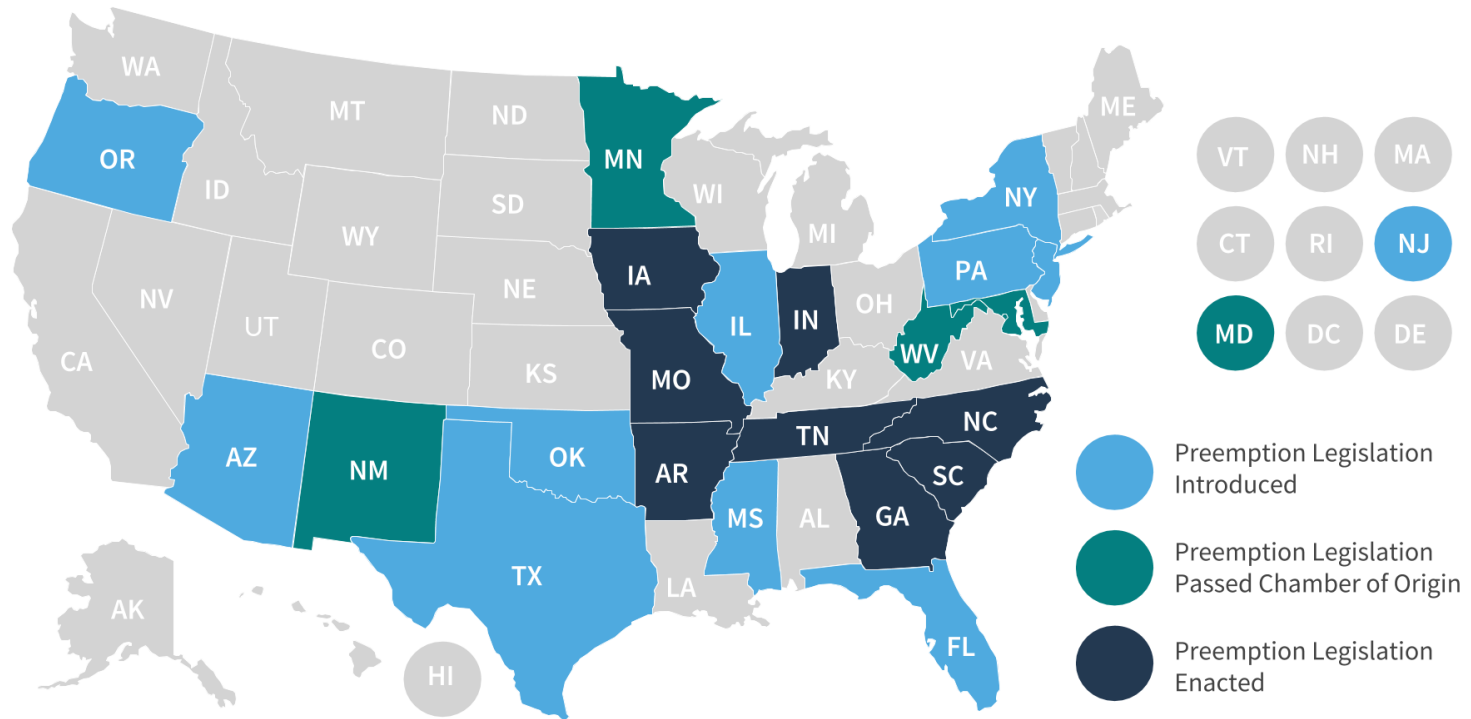
State Preemption: Of local minimum wage & paid leave ordinances



25 states preempt local minimum wage, 18 states preempt local paid leave ordinances, & 17 states preempt both.
Note: NY preemption is via case law not legislation.

PREEMPTION

2017 Preemption Legislative Overview



Source: MultiState Issue Management service.

In 2017, 22 states introduced preemption legislation, 12 states passed preemption legislation through the chamber of origin, and 8 states enacted preemption into law (updated June 16, 2017).

PREEMPTION

The Center for Local, State, and Urban Policy

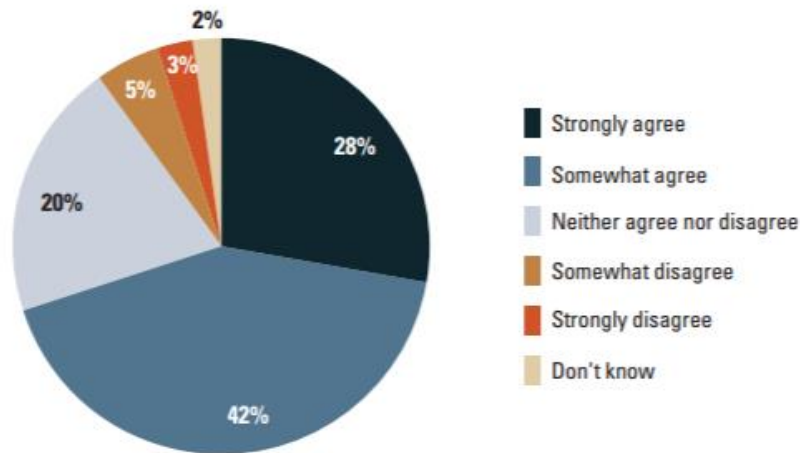
Gerald R. Ford School of Public Policy >> University of Michigan



Michigan Public Policy Survey June 2017

Figure 1a

Local leaders' views on whether the State is taking too much decision-making authority away from local governments



PREEMPTION

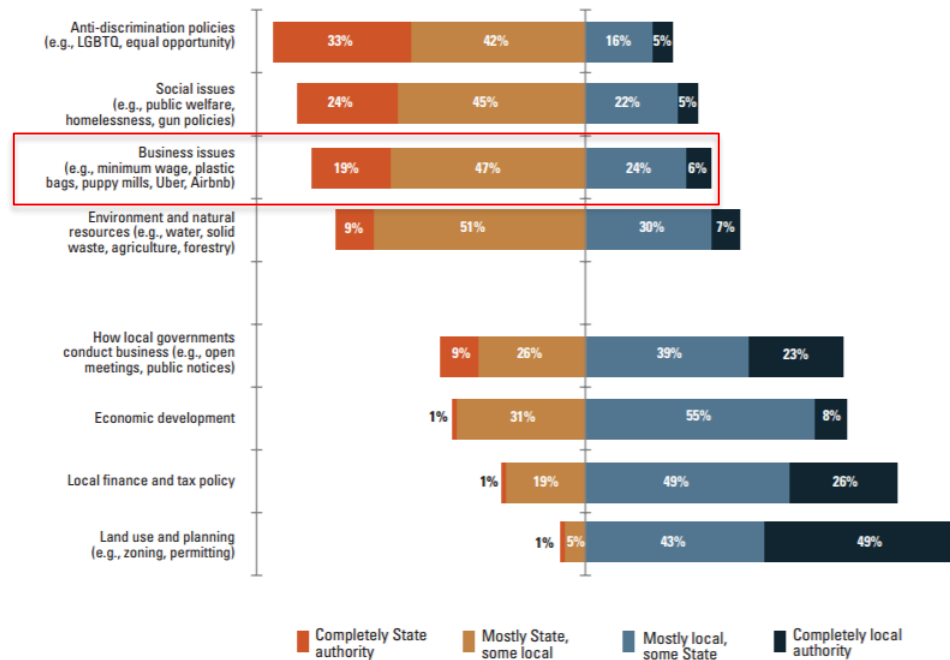
The Center for Local, State, and Urban Policy

Gerald R. Ford School of Public Policy >> University of Michigan

Michigan Public Policy Survey June 2017

Figure 2

Local leaders' views on the division of authority between state and local governments



Note: Responses for "don't know" not shown

COMPROMISE

Options:

- **Be proactive. “No” doesn’t always work.**
- **Aim for less disruptive mandates**
- **Include local preemption language.**

CONCLUSION

- **New Mexico is not alone.**
- **Be proactive. Preempt or compromise.**
- **Be relieved you don't have citizen initiated ballot measures in New Mexico.**