

March 6, 2020

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 151D-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2584 by House Committee on Local Government

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2584 is respectfully submitted to your committee.

HB 2584 would remove from current law a provision that prohibits local governments from setting the minimum wage above the state or federal minimum wage.

The bill could result in a fiscal effect for the state from state employees whose rate of pay would be affected by any local governments that choose to increase their minimum wage above the state or federal minimum wage. However, the fiscal effect cannot be estimated because the number of local governments that would choose to increase their minimum wage and the rate of pay that would be set by those local governments is unknown.

The Kansas Department of Labor indicates there could be a fiscal effect from additional wage claims filed with the agency. However, the Department estimates the fiscal effect would be negligible and absorbed within existing resources.

The bill could also result in a fiscal effect for local governments from higher wages in communities that adopt resolutions or ordinances to increase the minimum wage. However, the fiscal effect cannot be estimated. Any fiscal effect associated with HB 2584 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Jay Hall, Association of Counties
Trey Cocking, League of Municipalities
Dawn Palmberg, Department of Labor
Jeff Scannell, Department of Administration