



131st MAINE LEGISLATURE

LD 855

LR 1555(01)

An Act to Provide That the Minimum Wage Increases by the Rolling Average of the Cost of Living of the Previous 3 Years

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Bradstreet of Vassalboro

Committee: Labor and Housing

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Changes methodology of inflation calculation

Fiscal Detail and Notes

This legislation changes the method in which the increase in the cost-of-living adjustment that is applied to the minimum hourly wage each January 1st is determined. Current law provides that the increase in the cost of living must be measured by the annual percentage increase, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W, for the Northeast Region, or its successor index. This bill would require that, effective January 1, 2026, the cost of living increase must be determined by averaging the percentage increase in the CPI-W over the 3 previous years. As a 3-year average could be either higher or lower than a single year index, the impact of this bill on the State and municipalities will not be known until future years.