

SENATE BILL REPORT

SB 5467

AS OF FEBRUARY 5, 1993

Brief Description: Providing for periodic adjustments of the state minimum wage.

SPONSORS: Senators Prentice, Pelz, Skratek, A. Smith, Moore, Fraser, Franklin and Quigley

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Jonathan Seib (786-7427)

Hearing Dates: February 8, 1993

BACKGROUND:

Since January 1, 1990, the state minimum wage for all employees 18 years or older has been \$4.25. The Director of the Department of Labor and Industries sets the minimum wage for minors. For 16 and 17 year olds, the current rate is "equal to the hourly rate for employees 18 or over" or \$4.25. For employees younger than 16, the rate is "eighty-five percent of the hourly rate of employees 18 or over" or \$3.61.

Prior to January 1 of each odd-numbered year, the Office of Financial Management (OFM) is to review the state minimum wage and make recommendations to the Legislature and the Governor regarding its increase. On December 21, 1992, OFM recommended that the state minimum wage for employees 18 years or older be increased to \$5.15 per hour, beginning January 1, 1994. OFM also recommended that the Legislature consider establishing an automatic mechanism by which to regularly adjust the state minimum wage with changing economic conditions.

SUMMARY:

The state minimum wage for employees 18 years or older is increased to \$5.00 per hour on July 1, 1993, to \$5.75 per hour on July 1, 1994, and, on July 1, 1995 and automatically adjusted on each July 1 thereafter to 50 percent of the state average annual wage.

Appropriation: none

Revenue: none

Fiscal Note: requested February 4, 1993