

# SENATE BILL REPORT

## SB 5681

---

---

As Reported By Senate Committee On:  
Commerce & Trade, February 26, 2003

**Title:** An act relating to minimum wages.

**Brief Description:** Modifying minimum wage provisions.

**Sponsors:** Senators Sheahan, T. Sheldon, Honeyford, Hale and Mulliken.

**Brief History:**

**Committee Activity:** Commerce & Trade: 2/6/03, 2/26/03 [DPS, DNP].

---

### SENATE COMMITTEE ON COMMERCE & TRADE

**Majority Report:** That Substitute Senate Bill No. 5681 be substituted therefor, and the substitute bill do pass.

Signed by Senators Honeyford, Chair; Hewitt, Vice Chair; and Mulliken.

**Minority Report:** Do not pass.

Signed by Senators Franklin and Keiser.

**Staff:** Jennifer Ziegler (786-7316)

**Background:** Current law requires employers to pay any employee who is 18 years or older the state's adjusted minimum wage rate. "Wage" includes compensation due to an employee by reason of employment, subject to deductions, charges or allowances permitted by the Department of Labor and Industries.

The department must calculate an adjusted minimum wage rate on September 30 of each year. The department must increase the current year's minimum wage rate by the rate of inflation.

The director of the department must establish the minimum wage rate for employees under the age of 18. The department requires that employers pay employees between the ages of 16 and 18 the state's adjusted minimum wage rate. Employers must pay employees who are 14 and 15 years old 85 percent of the state's adjusted minimum wage rate.

The current state adjusted minimum wage rate for employees who are 16 years old or older is \$7.01 per hour. The current state minimum wage rate for employees who are 14 or 15 years old is \$5.96 per hour.

**Summary of Substitute Bill:** The minimum wage rate must be adjusted by the rate of inflation for those months that the Washington employment rate was lower than the national employment rate.

An employer may pay an employee who is under 18 and who is not an emancipated minor, 75 percent of the state minimum wage rate, or the federal minimum wage rate.

A county, city, special purpose district, state agency or other public body shall not modify state minimum wage rate requirements.

**Substitute Bill Compared to Original Bill:** An emergency clause is added. Provisions allowing employers to receive a deduction for employer-provided board or lodging are removed. Provisions allowing employers to pay a new worker 75 percent of the state minimum wage rate are removed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Sections 2, 4, and 5 take effect immediately. Section 3 of this act takes effect July 1, 2004. Section 2 of this act expires July 1, 2004.

**Testimony For:** The city of Bellingham recently passed a living wage ordinance. It is important to prevent other communities from taking the same action. This bill merely allows the minimum wage to be tied to the health of the economy. At many businesses, the majority of minimum wage workers are teenagers. The Legislature should consider all compounding costs to businesses. Employers are forced to eliminate staff to address increasing costs.

**Testimony Against:** This legislation is disrespectful to laid-off and youthful workers. Workers depend on the minimum wage to clothe, educate and feed their kids. Farm workers work hard to provide food for their families. Many restaurant workers are not teenagers, they are single parents.

**Testified:** Gary Chandler, AWB (pro); Suzan Carrell, Dan Carrell, Local #8; Andrea Stephen, employer (con); Samuel Martinez, Small Bus. (con); Robby Stern, WSLC (con); Mary Hearon, worker; Bob Swanson, Washington State Association for Community Action (con); Julie Watts, Washington Association of Churches; Scott Dickinson, Dickinson Northwest, Inc, DBA KFC Restaurants (pro); Michael Gempler, Washington Growers League (pro); Jim Jesernig, Washington Potato & Onion Association (pro); Kevin Bouchey, Asparagus Grower, Washington Asparagus Commission (pro); Guadalupe Gamboa, United Farm Workers (con); Michael Kepcha, citizen (con).