SENATE BILL REPORT
SB 6605

As Reported By Senate Committee On:
Commerce & Trade, February 6, 2004

Title: An act relating to the exclusive authority of the state to establish minimum wage and hour standards.

Brief Description: Declaring the exclusive authority of the state to establish minimum wage and hour standards.

Sponsors: Senators Mulliken, Honeyford, Swecker and Horn.

Brief History:
Committee Activity: Commerce & Trade: 2/5/04, 2/6/04 [DP, DNP].

SENATE COMMITTEE ON COMMERCE & TRADE

Majority Report: 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 Strus (786-7316)

Background: The state establishes minimum wages and working conditions for all employees of the state. These standards are in addition to those in federal or state law or local ordinance. Any standards relating to wages, hours or working conditions established under federal or state law or by local ordinance which are more favorable to the employee are not affected by the state minimum standards.

Summary of Bill: The ability of local government to set wage and hour standards different than the minimum standards set by the state is removed. Any local ordinance that conflicts with the state minimum standards that is in effect on July 1, 2004 is null and void.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on July 1, 2004.

Testimony For: This bill addresses a problem that has not occurred but is a problem across the country for small businesses in places where local governments have instituted a higher minimum wage than the state. Having locals set minimum wage standards would be harmful to small businesses ---– people would use businesses in neighboring towns where the minimum wage is lower and this could potentially drive people out of business.

Testimony Against: Over 100 cities have set minimum wage standards that are higher than the state or federal levels. The reason local governments have done this in some states is because there is a critical relationship between wages and the cost of living. If people are not paid enough to afford to live, then they become a drag on the economy as well as on state programs.

Testified: PRO: Mark Johnson, NFIB; Glen Sutt, Papa Murphys; Stan Bowman, Restaurant Association; Kris Tefft, AWB; CON: Jeff Johnson, WSLC.