
ENGROSSED SUBSTITUTE SENATE BILL 5551

State of Washington

59th Legislature

2006 Regular Session

By Senate Committee on Labor, Commerce, Research & Development
(originally sponsored by Senators Hargrove, Hewitt, Schoesler,
Mulliken, Parlette and Oke)

READ FIRST TIME 03/02/05.

1 AN ACT Relating to studying the minimum wage in Washington state;
2 and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that Initiative 688,
5 passed by the people in 1998, provides for a minimum wage and automatic
6 increases in the minimum wage based on increases in the consumer price
7 index. Increases in the minimum wage have occurred annually since
8 adoption of the initiative.

9 The legislature further finds that the level of Washington's
10 minimum wage and the increases provided by the initiative are subjects
11 of debate and controversy. Employers and employees dispute the
12 positive and negative effects of the minimum wage, the role that the
13 minimum wage plays in the creation or loss of jobs, and the effect of
14 the minimum wage on Washington's economy.

15 NEW SECTION. **Sec. 2.** The Washington state institute of public
16 policy, in consultation with the employment security department, shall
17 conduct a study to address the issues impacted by the minimum wage and
18 its annual increases in Washington state. The study should address:

1 (1) The impact of the minimum wage on job creation and job loss,
2 from 1990 to the present;

3 (2) The role of the minimum wage in maintaining the purchasing
4 power of low-income workers, as well as its effect on the federal
5 poverty level rates of low-income workers in this state, in comparison
6 to other workers;

7 (3) Wage compression resulting from increases in the minimum wage;

8 (4) Demographic analysis of persons earning eight dollars and
9 thirty-five cents per hour or less, including race, ethnicity, gender,
10 marital status, age, and the average amount of time persons earn the
11 minimum wage, as well as the rate of taxpayer provided services used by
12 these persons;

13 (5) The extent to which the minimum wage is paid in various
14 industries and occupations in Washington, including the number of total
15 jobs available in those industries over the past seven years and an
16 analysis of any causal relation between increases in the minimum wage
17 and fluctuations in those job numbers;

18 (6) Differences in economic activity attributed to the minimum wage
19 increases in comparison with similar activity in Oregon, Idaho, and
20 other states similar in economic size and industrial base to
21 Washington;

22 (7) Economic activity and wage progression in industries with large
23 numbers of low-wage workers compared to wages paid in manufacturing,
24 high tech, and other moderate and high-income fields in Washington;

25 (8) The impact of the minimum wage on state unemployment, including
26 a comparison of state and federal unemployment rates from 1970 to the
27 present, as well as the effect the increasing minimum wage has on the
28 mechanization and elimination of jobs in the state;

29 (9) A summary of the actions taken by other states regarding their
30 minimum wage laws over the last five years; and

31 (10) The impact on workers and businesses of a minimum tipped wage.

32 NEW SECTION. **Sec. 3.** The Washington state institute for public
33 policy shall collect information for the study from both the public and
34 private sector. The Washington state institute of public policy must
35 report its findings to the legislature by December 1, 2006.

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