
**Labor & Workforce Development
Committee**

HB 2498

Brief Description: Suspending the adjustment of the minimum hourly wage rate during periods of high unemployment.

Sponsors: Representatives Condotta, Warnick, Shea, Taylor, Fagan, Short, Ross, Alexander and Angel.

Brief Summary of Bill

- Suspends the requirement that the Department of Labor & Industries calculate an adjusted minimum wage rate when the average rate of unemployment in the state equals or exceeds 7.5 percent.

Hearing Date: 1/31/12

Staff: Alexa Silver (786-7190).

Background:

Employers covered under the state Minimum Wage Act are required to pay employees who are at least 18 years old no less than the state minimum wage rate. The state minimum wage rate is currently \$9.04 per hour; the federal minimum wage rate is currently \$7.25 per hour.

Initiative 688 requires that the state minimum wage rate be adjusted for inflation each year. The Department of Labor and Industries (Department) calculates the adjusted rate "to maintain employee purchasing power by increasing the current year's minimum wage rate by the rate of inflation" using the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), for the 12 months prior to each September 1.

Summary of Bill:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The requirement that the Department calculate an adjusted minimum wage rate is suspended when the average rate of unemployment in the state, seasonally adjusted, for the 12-month period prior to September 1 equals or exceeds 7.5 percent.

Under these circumstances, employers must pay employees who are at least 18 years old at a rate not less than the previous year's minimum wage.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.