H-1233.1

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**HOUSE BILL 1724**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Representative Klippert

AN ACT Relating to the minimum wage; amending RCW 49.46.020; creating a new section; and declaring an emergency.

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

NEW SECTION. **Sec.**  The legislature finds that the minimum wage increase enacted in Initiative Measure No. 1433, approved November 8, 2016, was a drastic increase. The legislature further finds that the costs associated with this increase will likely result in job losses and business closures. These effects are detrimental to all Washingtonians, particularly for the lowest wage workers, persons with developmental disabilities, youth employees, and other populations that traditionally have more difficulty securing employment. To negate these effects, the legislature will provide workers with a wage increase from the nine dollars and fifty-three cents per hour that would have been in effect absent Initiative Measure No. 1433 to ten dollars per hour, rather than the eleven dollars per hour imposed by Initiative Measure No. 1433. Further, to address the particularly harmful unemployment effects of a minimum wage increase on youth workers, the legislature will provide for a reduced minimum wage rate for workers ages fourteen through seventeen years.

**Sec.**  RCW 49.46.020 and 2017 c 2 s 3 (Initiative Measure No. 1433) are each amended to read as follows:

(1)((~~(a)~~)) Beginning ((~~January 1, 2017~~)) on the effective date of this section, and until January 1, 2018, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than ((~~eleven~~)) ten dollars per hour.

((~~(b) Beginning January 1, 2018, and until January 1, 2019, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than eleven dollars and fifty cents per hour.~~

~~(c) Beginning January 1, 2019, and until January 1, 2020, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than twelve dollars per hour.~~

~~(d) Beginning January 1, 2020, and until January 1, 2021, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than thirteen dollars and fifty cents per hour.~~))

(2)(a) Beginning on January 1, ((~~2021~~)) 2019, and each following January 1st as set forth under (b) of this subsection, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than the amount established under (b) of this subsection.

(b) On September 30, ((~~2020~~)) 2018, and on each following September 30th, the department of labor and industries shall calculate an adjusted minimum wage rate to maintain employee purchasing power by increasing the current year's minimum wage rate by the rate of inflation. The adjusted minimum wage rate shall be calculated to the nearest cent using the consumer price index for urban wage earners and clerical workers, CPI-W, or a successor index, for the twelve months prior to each September 1st as calculated by the United States department of labor. Each adjusted minimum wage rate calculated under this subsection (2)(b) takes effect on the following January 1st.

(3) An employer must pay to its employees: (a) All tips and gratuities; and (b) all service charges as defined under RCW 49.46.160 except those that, pursuant to RCW 49.46.160, are itemized as not being payable to the employee or employees servicing the customer. Tips and service charges paid to an employee are in addition to, and may not count towards, the employee's hourly minimum wage.

(4) Beginning January 1, 2018, every employer must provide to each of its employees paid sick leave as provided in RCW 49.46.200 and 49.46.210.

(5) The director shall by regulation establish the minimum wage for employees under the age of eighteen years. The rate may be less than, but may not be greater than, the federal minimum wage rate.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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