

SENATE BILL REPORT

SB 6478

As Reported By Senate Committee On:
Labor, Commerce & Trade, February 1, 1996

Title: An act relating to the state minimum wage.

Brief Description: Increasing the state minimum wage.

Sponsors: Senators Franklin, Goings, Smith, Quigley, Fraser, Thibaudeau and Kohl.

Brief History:

Committee Activity: Labor, Commerce & Trade: 1/23/96, 2/1/96 [DP, DNP].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Franklin, Fraser and Wojahn.

Minority Report: Do not pass.

Signed by Senators A. Anderson and Deccio.

Staff: Jonathan Seib (786-7427)

Background: Since January 1, 1994, the state minimum wage for those 18 and older has been \$4.90 per hour. The minimum wage for those under 18 is established by the Department of Labor and Industries. For 16 and 17-year-olds, it is set at 100 percent of the wage required for those 18 and over. For those under 16, the wage is set at 85 percent of the wage required for those 18 and over (currently \$4.17). The federal minimum wage is \$4.25 per hour.

Summary of Bill: Effective January 1, 1997, the state minimum wage for those 18 and older is \$5.40 per hour. Effective January 1, 1998, the state minimum wage for those 18 and older is \$5.90 per hour. Effective January 1, 1999, the state minimum wage for those 18 and older is \$6.40 per hour. Effective January 1, 2000, the state minimum wage for those 18 and older is \$6.90 per hour.

Effective July 1, 2000, and on each subsequent July 1 thereafter, the state minimum wage for those 18 and older is automatically adjusted to reflect the change in the U.S. Consumer Price Index during the preceding year.

The minimum wage for those under 18 continues to be established by the Department of Labor and Industries.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on January 1, 1997.

Testimony For: This bill is a step in the right direction of providing a livable income for all those who work. Welfare reform demands that we have jobs that pay a living wage. The minimum wage is targeted to help those who most need help. The bill is part of a regional strategy to keep minimum wage up with inflation. There is no conclusive proof that an increase in minimum wage leads to job loss.

Testimony Against: Washington already has the second highest minimum wage in the continental United States, and adjusted for inflation, the current state minimum wage is still consistent with historical levels. A minimum wage increase would eliminate jobs and cannot be targeted to help those that are most in need. The jobs that would be eliminated are those that are most accessible to persons seeking to get off welfare. A minimum wage increase would make it more difficult for Washington agricultural companies to be competitive.

Testified: PRO: Jeff Johnson, Robby Stern, Washington State Labor Council; Dan Comsia, Lutheran Public Policy Office; Kathleen Russell, Washington Assn. of Churches; David West, Washington Citizen Action; Lonnie Johns-Brown, Washington NOW; CON: Bruce Briggs, Scott Briggs, Mark Briggs, Chris Grady, Brent Price, Kit Hawkins, Washington Restaurant Assn.; Jeff Cox, Washington Retail Assn.; Clif Finch, Assn. of Washington Business; Chris Cheney, Washington Growers League; Carolyn Logue, National Federation of Independent Business; Gary Smith, Independent Business Assn/; Tom Zwainz, Washington Wheat Growers.