

# HOUSE BILL REPORT

## HB 1473

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*As Reported By House Committee on:  
Commerce & Labor*

**Title:** An act relating to periodic adjustments of the state minimum wage.

**Brief Description:** Providing for periodic adjustments of the state minimum wage.

**Sponsor(s):** Representatives Prentice, Heavey, Belcher, Wineberry, Morris, Cole, Jones, Jacobsen, Ogden, Leonard, R. Johnson, R. King, Ludwig, Rust, Basich, Orr, G. Fisher, Riley, Pruitt, Sprenkle, Peery, Wang, Locke, Phillips, Dellwo, Cooper, Fraser, Nelson, Spanel, Brekke and Anderson.

**Brief History:**

Reported by House Committee on:  
Commerce & Labor, February 14, 1991, DPS.

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**HOUSE COMMITTEE ON  
COMMERCE & LABOR**

**Majority Report:** *That Substitute House Bill No. 1473 be substituted therefor, and the substitute bill do pass.*  
Signed by 7 members: Representatives Heavey, Chair; Cole, Vice Chair; Franklin; Jones; R. King; O'Brien; and Prentice.

**Minority Report:** *Do not pass.* Signed by 4 members: Representatives Fuhrman, Ranking Minority Member; Lisk, Assistant Ranking Minority Member; Vance; and Wilson.

**Staff:** Chris Cordes (786-7117).

**Background:** Under Initiative 518, the Washington state minimum wage was adjusted on January 1, 1990, to \$4.25 hour. The minimum wage law does not specify further adjustments to the minimum wage rate. In each odd-number year, however, the Office of Financial Management must review and make recommendations for a minimum wage increase.

**Summary of Substitute Bill:** The state minimum wage is changed from \$4.25 an hour to \$4.75 on July 1, 1991, and to \$5.25 on January 1, 1992.

Beginning on April 1, 1993, the rate will be adjusted based on the consumer price index and readjusted each April 1 thereafter.

**Substitute Bill Compared to Original Bill:** Indexing of the state minimum wage is delayed from January 1, 1993, to April 1, 1993, and will be indexed to the consumer price index, rather than the state average wage. An effective date of July 1, 1991, is added.

**Fiscal Note:** Requested January 26, 1991.

**Effective Date:** The bill contains an emergency clause and takes effect July 1, 1991.

**Testimony For:** The minimum wage should be at a level sufficient to support a family. No one should work full-time and remain in poverty. Tipped employees cannot rely on tips to pay for the essentials, such as rent and food. The amounts of tips is very dependent on factors that cannot be controlled by the worker.

**Testimony Against:** The minimum wage should not be adjusted to a rate higher than the federal minimum wage unless the state minimum wage includes a tip credit, a youth minimum wage, and a training wage. Continual increases in the minimum wage will reduce opportunities for unskilled workers and disrupt wage structures. The recent minimum wage increases have resulted in job loss.

**Witnesses:** (in favor) Tony Lee, Washington Council of Churches; Lori Bitner; and Jackie Philbrick. (opposed unless other concerns are addressed) Linda Matson, National Federation of Independent Business; Jan Gee, Washington Retail Association; Gary Smith, Independent Business Association; Susan Hanley; Gene Vosberg, Washington Restaurant Association; and Nat Jackson.