

# SENATE BILL REPORT

## SB 6471

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As of January 30, 2014

**Title:** An act relating to creating a teen summer employment wage.

**Brief Description:** Creating a teen summer employment wage.

**Sponsors:** Senator Baumgartner.

**Brief History:**

**Committee Activity:** Commerce & Labor: 1/29/14.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Staff:** Mac Nicholson (786-7445)

**Background:** Initiative 688, approved by voters in 1998, requires the Department of Labor and Industries (L&I) to make annual increases to the state minimum wage for adult workers by the rate of inflation. L&I recalculates the minimum wage in September, and it takes effect the following January. L&I has authority to establish the minimum wage for minors in rule. Teen workers 16 or older must be paid at least the same minimum wage rate as adults, and workers under the age of 16 must be paid at least 85 percent of the minimum wage.

L&I also has the statutory authority to issue special certificates to employers allowing them to pay wages lower than the minimum wage for a fixed period of time. Employers with special certificates can pay sub-minimum wages to learners, student workers, apprentices, and individuals impaired by age or physical or mental deficiency or injury.

The state minimum wage is \$9.32 per hour. The federal minimum wage is \$7.25 per hour.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Proposed Substitute):** Employers may pay teen wages to new employees 14 to 19 years of age at the minimum wage rate established in section 206(a)(1) of the federal Fair Labor Standards Act.

Teen wages can only be paid to new employees hired on a temporary or seasonal basis, and for work performed during the summer months from June 1 to August 31.

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*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.*

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill would make employment of teens more attractive to employers and would allow retailers to hire more teenagers. The bill will help teens learn important basic job skills during summer jobs and will help teens establish a work ethic for life.

CON: Studies have shown no impact of higher minimum wage on teen employment levels. The bill would displace adult workers and benefit big box retailers. The bill is discriminatory against young workers trying to support a family or save money for college. The bill does not include any training or curriculum requirement and does not require the wage for first-time teen job seekers only.

OTHER: A high minimum wage hurts low-wage workers. This bill would provide alternative wage option for employers wishing to employ teenagers for summer jobs. The bill is a good idea but should be adjusted to reflect the academic summer, rather than the calendar summer.

**Persons Testifying:** PRO: Judy Coover, Printcom, Inc.

CON: Nicole Grant, International Brotherhood of Electrical Workers; Teresa Mosqueda, WA State Labor Council; Marilyn Watkins, Economic Opportunity Institute; Diego Rondon Ichikawa, National Employment Law Project.

OTHER: Patrick Connor, National Federation of Independent Business; Erin Shannon, WA Policy Center.