
SUBSTITUTE SENATE BILL 5768

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Commerce & Trade (originally sponsored by Senators Honeyford, Stevens, Horn, Esser, Schmidt, West, Hale and Deccio)

READ FIRST TIME 03/05/03.

1 AN ACT Relating to establishing an adjusted minimum tipped wage
2 rate; amending RCW 49.46.020; adding a new section to chapter 49.46
3 RCW; and declaring an emergency.

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

5 **Sec. 1.** RCW 49.46.020 and 1999 c 1 s 1 are each amended to read as
6 follows:

7 (1) Until January 1, 1999, every employer shall pay to each of his
8 or her employees who has reached the age of eighteen years wages at a
9 rate of not less than four dollars and ninety cents per hour.

10 (2) Beginning January 1, 1999, and until January 1, 2000, every
11 employer shall pay to each of his or her employees who has reached the
12 age of eighteen years wages at a rate of not less than five dollars and
13 seventy cents per hour.

14 (3) Beginning January 1, 2000, and until January 1, 2001, every
15 employer shall pay to each of his or her employees who has reached the
16 age of eighteen years wages at a rate of not less than six dollars and
17 fifty cents per hour.

18 (4)(a) Except as provided under (c) of this subsection, beginning
19 on January 1, 2001, and each following January 1st as set forth under

1 (b) of this subsection, every employer shall pay to each of his or her
2 employees who has reached the age of eighteen years wages at a rate of
3 not less than the amount established under (b) of this subsection.

4 (b) On September 30, 2000, and on each following September 30th,
5 the department of labor and industries shall calculate an adjusted
6 minimum wage rate to maintain employee purchasing power by increasing
7 the current year's minimum wage rate by the rate of inflation. The
8 adjusted minimum wage rate shall be calculated to the nearest cent
9 using the consumer price index for urban wage earners and clerical
10 workers, CPI-W, or a successor index, for the twelve months prior to
11 each September 1st as calculated by the United States department of
12 labor. Each adjusted minimum wage rate calculated under this
13 subsection (4)(b) takes effect on the following January 1st.

14 (c) On September 30, 2003, and on each following September 30th,
15 the department of labor and industries shall establish an adjusted
16 minimum tipped wage rate that is equal to fifty percent of the adjusted
17 minimum wage rate calculated under (b) of this subsection, but no less
18 than seven dollars and one cent per hour. Each adjusted minimum tipped
19 wage rate established under this subsection (4)(c) takes effect on the
20 following January 1st. Employers certified under section 2 of this act
21 shall pay to each of his or her directly tipped employees wages at a
22 rate of not less than the amount established under this subsection
23 (4)(c).

24 (5) The director shall by regulation establish the minimum wage for
25 employees under the age of eighteen years.

26 NEW SECTION. Sec. 2. A new section is added to chapter 49.46 RCW
27 to read as follows:

28 The department of labor and industries shall establish a process
29 for certifying employers of directly tipped employees as eligible to
30 pay the adjusted minimum tipped wage rate established under RCW
31 49.46.020(4)(c). To apply for certification, employers shall submit a
32 fifty dollar annual fee and report the total tips of directly tipped
33 employees reported to the internal revenue service for the previous
34 year and the total hours worked by directly tipped employees during the
35 previous year. If the total tips of directly tipped employees divided
36 by the total hours worked by directly tipped employees is more than the

1 current adjusted minimum wage rate calculated under RCW
2 49.46.020(4)(b), the department shall certify the employer as eligible
3 to pay the adjusted minimum tipped wage rate.

4 As used in this section, "directly tipped employee" means an
5 employee who customarily and regularly receives gratuities directly
6 from the customer in recognition of a service performed and who is
7 employed by an employer with a standard industry code of 58, 70, or 79
8 or a North American industry code of 713, 721, or 722.

9 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
10 preservation of the public peace, health, or safety, or support of the
11 state government and its existing public institutions, and takes effect
12 immediately.

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