

5681-S

Sponsor(s): Senate Committee on Commerce & Trade (originally sponsored by Senators Sheahan, T. Sheldon, Honeyford, Hale and Mulliken)

Brief Description: Modifying minimum wage provisions.

**SB 5681-S - DIGEST**

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Finds and declares it is in the interest of Washington citizens to improve the state economy as expeditiously as possible. Washington has the highest unemployment rate in the nation. In addition to the dire economic situation in the state, Washington businesses are experiencing increases in mandatory minimum wage payments, workers' compensation costs, and unemployment insurance rates. The cumulative impact of these factors forces businesses to eliminate jobs and hire fewer employees. Immediate legislative action to reform the method for calculating the state's minimum wage rate is necessary for the economic vitality of the state.

Provides that, beginning September 30, 2003, and each September 30th thereafter, the current year's minimum wage rate shall be increased by the rate of inflation as provided under this act only for the months the state of Washington had full employment during the twelve months prior to each September 30th. Only the inflationary increases during the months of full employment shall be used for the purposes of the calculation under this act.

Provides that an employer may pay a new employee, who is not an emancipated minor under chapter 13.64 RCW, an initial wage rate equal to the greater of seventy-five percent of the rate required under RCW 49.46.020 or the federal minimum wage rate.

Provides that no political subdivision shall modify, in any respect, the minimum wage requirements of this chapter through ordinance, resolution, or other legislative action.

Declares that for the purposes of this act, "political subdivision" means a county, city, special purpose district, agency of the state, or any other municipality or public body created under state law.