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HOUSE BILL 1790

State of Washington 59th Legislature 2005 Regular Session

By Representatives Condotta, Armstrong, Holmquist, Newhouse, Sump, Kretz, Clements, Crouse, Kristiansen, Schindler, Talcott, Shabro, Rodne, Buri, Haler, Dunn, Nixon, Hinkle, Woods, Bailey and Ahern

Read first time 02/07/2005. Referred to Committee on Commerce & Labor.

- 1 AN ACT Relating to setting a competitive minimum wage rate; 2 amending RCW 49.46.020 and 49.46.010; and declaring an emergency.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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- 4 **Sec. 1.** RCW 49.46.020 and 1999 c 1 s 1 are each amended to read as follows:
 - (1) ((Until January 1, 1999, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than four dollars and ninety cents per hour.
 - (2) Beginning January 1, 1999, and until January 1, 2000, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than five dollars and seventy cents per hour.
- (3) Beginning January 1, 2000, and until January 1, 2001, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than six dollars and fifty cents per hour.
- 17 $((\frac{4}{1}))$ (2)(a) Beginning on January 1, 2001, and each following 18 January 1st as set forth under (b) of this subsection, every employer

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

- (b) On September 30, 2000, and on each following September 30th, 4 5 the department of labor and industries shall calculate an adjusted minimum wage rate to maintain employee purchasing power by increasing 6 7 the current year's minimum wage rate by the rate of inflation. adjusted minimum wage rate shall be calculated to the nearest cent 8 9 using the consumer price index for urban wage earners and clerical workers, CPI-W, or a successor index, for the twelve months prior to 10 each September 1st as calculated by the United States department of 11 12 labor. The adjusted minimum wage rate may not exceed seven dollars and 13 thirty-five cents or one hundred twenty-five percent of the average 14 state minimum wage rate, whichever is greater. However, in no case shall the adjusted minimum wage rate be less than seven dollars and 15 thirty-five cents. Each adjusted minimum wage rate calculated under 16 17 this subsection ((4)) (2)(b) takes effect on the following January 1st. 18
- 19 $((\frac{5}{}))$ (3) The director shall by regulation establish the minimum 20 wage for employees under the age of eighteen years.
- 21 **Sec. 2.** RCW 49.46.010 and 2002 c 354 s 231 are each amended to 22 read as follows:

As used in this chapter:

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- (1) "Director" means the director of labor and industries;
- (2) "Wage" means compensation due to an employee by reason of employment, payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value, subject to such deductions, charges, or allowances as may be permitted by rules of the director;
 - (3) "Employ" includes to permit to work;
- 31 (4) "Employer" includes any individual, partnership, association, 32 corporation, business trust, or any person or group of persons acting 33 directly or indirectly in the interest of an employer in relation to an 34 employee;
- 35 (5) "Employee" includes any individual employed by an employer but 36 shall not include:

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(a) Any individual (i) employed as a hand harvest laborer and paid on a piece rate basis in an operation which has been, and is generally and customarily recognized as having been, paid on a piece rate basis in the region of employment; (ii) who commutes daily from his or her permanent residence to the farm on which he or she is employed; and (iii) who has been employed in agriculture less than thirteen weeks during the preceding calendar year;

- (b) Any individual employed in casual labor in or about a private home, unless performed in the course of the employer's trade, business, or profession;
- (c) Any individual employed in a bona fide executive, administrative, or professional capacity or in the capacity of outside salesman as those terms are defined and delimited by rules of the director. However, those terms shall be defined and delimited by the director of personnel pursuant to chapter 41.06 RCW for employees employed under the director of personnel's jurisdiction;
- (d) Any individual engaged in the activities of an educational, charitable, religious, state or local governmental body or agency, or nonprofit organization where the employer-employee relationship does not in fact exist or where the services are rendered to such organizations gratuitously. If the individual receives reimbursement in lieu of compensation for normally incurred out-of-pocket expenses or receives a nominal amount of compensation per unit of voluntary service rendered, an employer-employee relationship is deemed not to exist for the purpose of this section or for purposes of membership or qualification in any state, local government or publicly supported retirement system other than that provided under chapter 41.24 RCW;
- (e) Any individual employed full time by any state or local governmental body or agency who provides voluntary services but only with regard to the provision of the voluntary services. The voluntary services and any compensation therefor shall not affect or add to qualification, entitlement or benefit rights under any state, local government, or publicly supported retirement system other than that provided under chapter 41.24 RCW;
 - (f) Any newspaper vendor or carrier;
- 36 (g) Any carrier subject to regulation by Part 1 of the Interstate 37 Commerce Act;

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1 (h) Any individual engaged in forest protection and fire prevention activities;

- (i) Any individual employed by any charitable institution charged with child care responsibilities engaged primarily in the development of character or citizenship or promoting health or physical fitness or providing or sponsoring recreational opportunities or facilities for young people or members of the armed forces of the United States;
- (j) Any individual whose duties require that he or she reside or sleep at the place of his or her employment or who otherwise spends a substantial portion of his or her work time subject to call, and not engaged in the performance of active duties;
- (k) Any resident, inmate, or patient of a state, county, or municipal correctional, detention, treatment or rehabilitative institution;
- (1) Any individual who holds a public elective or appointive office of the state, any county, city, town, municipal corporation or quasi municipal corporation, political subdivision, or any instrumentality thereof, or any employee of the state legislature;
- (m) All vessel operating crews of the Washington state ferries operated by the department of transportation;
- (n) Any individual employed as a seaman on a vessel other than an American vessel;
 - (6) "Occupation" means any occupation, service, trade, business, industry, or branch or group of industries or employment or class of employment in which employees are gainfully employed;
 - (7) "Retail or service establishment" means an establishment seventy-five percent of whose annual dollar volume of sales of goods or services, or both, is not for resale and is recognized as retail sales or services in the particular industry;
- (8) "Average state minimum wage rate" means the sum of the minimum wage rates set pursuant to state law and in effect on each September 1st in each of the fifty states divided by fifty. If there is not a minimum wage rate set pursuant to state law in one or more states, the average rate is calculated using the minimum wage rate set pursuant to section (6)(a)(1) of the fair labor standards act of 1938, as amended (29 U.S.C. Sec. 206(a)(1)), in place of a minimum wage rate set pursuant to state law in each of those states.

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<u>NEW SECTION.</u> **Sec. 3.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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