
HOUSE BILL 2291

State of Washington

64th Legislature

2016 Regular Session

By Representatives MacEwen, Haler, Buys, and Magendanz

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1 AN ACT Relating to ensuring business vitality by allowing for
2 total compensation when calculating the minimum wage rate and
3 providing for youth wages; amending RCW 49.46.020 and 49.46.010; and
4 providing an effective date.

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

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

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

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

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

19 ~~(4))~~(a) Beginning on January 1, ~~((2001))~~ 2017, and each
20 following January 1st as set forth under (b) of this subsection,
21 every employer shall pay to each of his or her employees who has

1 reached the age of eighteen years wages at a rate of not less than
2 the amount established under (b) of this subsection.

3 (b) On September 30, (~~(2000)~~) 2016, and on each following
4 September 30th, the department of labor and industries shall
5 calculate an adjusted minimum wage rate to maintain employee
6 purchasing power by increasing the current year's minimum wage rate
7 by the rate of inflation. The adjusted minimum wage rate shall be
8 calculated to the nearest cent using the consumer price index for
9 urban wage earners and clerical workers, CPI-W, or a successor index,
10 for the twelve months prior to each September 1st as calculated by
11 the United States department of labor. Each adjusted minimum wage
12 rate calculated under this subsection (~~((+4))~~) (1)(b) takes effect on
13 the following January 1st. Employers required to pay the minimum wage
14 rate established under this subsection to his or her employees who
15 have reached the age of eighteen years may meet the minimum wage rate
16 through the payment of wages, money paid by the employer towards an
17 individual employee's medical benefits plan, and other fringe
18 benefits.

19 (~~((+5))~~) (2)(a) The director shall by regulation establish the
20 minimum youth wage for employees under the age of eighteen years.

21 (b) Beginning January 1, 2017, an employer may pay his or her
22 employees under the age of eighteen years a youth wage rate that is
23 not less than the federal minimum wage.

24 **Sec. 2.** RCW 49.46.010 and 2015 c 299 s 3 are each amended to
25 read as follows:

26 As used in this chapter:

27 (1) "Director" means the director of labor and industries;

28 (2) "Employ" includes to permit to work;

29 (3) "Employee" includes any individual employed by an employer
30 but shall not include:

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

1 (b) Any individual employed in casual labor in or about a private
2 home, unless performed in the course of the employer's trade,
3 business, or profession;

4 (c) Any individual employed in a bona fide executive,
5 administrative, or professional capacity or in the capacity of
6 outside salesperson as those terms are defined and delimited by rules
7 of the director. However, those terms shall be defined and delimited
8 by the human resources director pursuant to chapter 41.06 RCW for
9 employees employed under the director of personnel's jurisdiction;

10 (d) Any individual engaged in the activities of an educational,
11 charitable, religious, state or local governmental body or agency, or
12 nonprofit organization where the employer-employee relationship does
13 not in fact exist or where the services are rendered to such
14 organizations gratuitously. If the individual receives reimbursement
15 in lieu of compensation for normally incurred out-of-pocket expenses
16 or receives a nominal amount of compensation per unit of voluntary
17 service rendered, an employer-employee relationship is deemed not to
18 exist for the purpose of this section or for purposes of membership
19 or qualification in any state, local government, or publicly
20 supported retirement system other than that provided under chapter
21 41.24 RCW;

22 (e) Any individual employed full time by any state or local
23 governmental body or agency who provides voluntary services but only
24 with regard to the provision of the voluntary services. The voluntary
25 services and any compensation therefor shall not affect or add to
26 qualification, entitlement, or benefit rights under any state, local
27 government, or publicly supported retirement system other than that
28 provided under chapter 41.24 RCW;

29 (f) Any newspaper vendor, carrier, or delivery person selling or
30 distributing newspapers on the street, to offices, to businesses, or
31 from house to house and any freelance news correspondent or
32 "stringer" who, using his or her own equipment, chooses to submit
33 material for publication for free or a fee when such material is
34 published;

35 (g) Any carrier subject to regulation by Part 1 of the Interstate
36 Commerce Act;

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

39 (i) Any individual employed by any charitable institution charged
40 with child care responsibilities engaged primarily in the development

1 of character or citizenship or promoting health or physical fitness
2 or providing or sponsoring recreational opportunities or facilities
3 for young people or members of the armed forces of the United States;

4 (j) Any individual whose duties require that he or she reside or
5 sleep at the place of his or her employment or who otherwise spends a
6 substantial portion of his or her work time subject to call, and not
7 engaged in the performance of active duties;

8 (k) Any resident, inmate, or patient of a state, county, or
9 municipal correctional, detention, treatment or rehabilitative
10 institution;

11 (l) Any individual who holds a public elective or appointive
12 office of the state, any county, city, town, municipal corporation or
13 quasi municipal corporation, political subdivision, or any
14 instrumentality thereof, or any employee of the state legislature;

15 (m) All vessel operating crews of the Washington state ferries
16 operated by the department of transportation;

17 (n) Any individual employed as a seaman on a vessel other than an
18 American vessel;

19 (o) Any farm intern providing his or her services to a small farm
20 which has a special certificate issued under RCW 49.12.470;

21 (p) An individual who is at least sixteen years old but under
22 twenty-one years old, in his or her capacity as a player for a junior
23 ice hockey team that is a member of a regional, national, or
24 international league and that contracts with an arena owned,
25 operated, or managed by a public facilities district created under
26 chapter 36.100 RCW;

27 (4) "Employer" includes any individual, partnership, association,
28 corporation, business trust, or any person or group of persons acting
29 directly or indirectly in the interest of an employer in relation to
30 an employee;

31 (5) "Medical benefits plan" means a bronze, silver, or gold
32 essential health benefits package, as defined in 42 U.S.C. Sec.
33 18022, or an equivalent plan that is designed to meet the actuarially
34 equivalent values established under 42 U.S.C. Sec. 18022, whichever
35 is greater;

36 (6) "Occupation" means any occupation, service, trade, business,
37 industry, or branch or group of industries or employment or class of
38 employment in which employees are gainfully employed;

39 ((+6)) (7) "Retail or service establishment" means an
40 establishment seventy-five percent of whose annual dollar volume of

1 sales of goods or services, or both, is not for resale and is
2 recognized as retail sales or services in the particular industry;
3 ~~((7))~~ (8) "Wage" means compensation due to an employee by
4 reason of employment, payable in legal tender of the United States or
5 checks on banks convertible into cash on demand at full face value,
6 subject to such deductions, charges, or allowances as may be
7 permitted by rules of the director.

8 NEW SECTION. **Sec. 3.** This act takes effect January 1, 2017.

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