

STAFF MEASURE SUMMARY**House Committee On Business and Labor****Fiscal:** Fiscal impact issued**Revenue:** No Revenue Impact**Action Date:** 04/20/15**Action:** Without Recommendation As To Passage And Be Referred To Rules.**Meeting Dates:** 04/13, 04/20**Vote:**

Yeas: 6 - Barton, Doherty, Evans, Fagan, Holvey, Nosse

Nays: 4 - Barreto, Heard, Kennemer, Weidner

Exc: 1 - Esquivel

Prepared By: Jan Nordlund, Committee Administrator

WHAT THE MEASURE DOES:

Repeals preemption of charter and statutory authority of local governments to set minimum wage requirements. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Demographics of minimum wage workers
- Consumer purchasing power
- Wage compression
- Distribution of wealth
- History of minimum wage

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The minimum wage is the lowest hourly wage a non-exempt employee may be paid by an employer. In 1938, Congress set the first national minimum wage at 25 cents an hour. Currently, the federal minimum wage is \$7.25 an hour. In 2002, Oregon voters enacted Measure 25, setting the Oregon minimum wage at \$6.90 an hour and directing the Bureau of Labor and Industries to annually adjust the Oregon minimum wage for inflation, as determined by the annual change in the United States Department of Labor's Consumer Price Index. Currently, the Oregon minimum wage is \$9.25 an hour.

Under Oregon law, the State of Oregon preempts all local government authority to set any minimum wage requirements for private employers unrelated to public contracts or tax subsidies.

House Bill 2004 repeals the preemption of local government authority to set minimum wage requirements.