

**REVENUE:**

**FISCAL:**

**SUBSEQUENT REFERRAL TO:**

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**Action:**

**Vote:**

**Yeas:**

**Nays:**

**Exc.:**

**Prepared By:** Jan Nordlund, Administrator

**Meeting Dates:** 2/2

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**WHAT THE MEASURE DOES:** Establishes tiered system for minimum wage based on geographic location and employer size. Establishes Wage Enforcement Fund. Creates Minimum Wage Advisory Committee. Repeals state preemption of local authority to set minimum wage requirements. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

Proposed -5 from the committee: Replaces original measure. Raises minimum wage to \$13.25 by July 1, 2022. Establishes higher wage for employees working within the urban growth boundary of the Portland metropolitan area. Adjusts statewide rate annually for inflation after June 30, 2023, with the Portland rate set \$1.25 higher. Declares emergency, effective on passage.

(Please note the difference between the -1 and -5 is that -5 sets the Portland Metro rate for those working within the urban growth boundary of the Portland Metropolitan Service District. It also clarifies that after 2023, the Metro rate is \$1.25 higher than the statewide rate that has been adjusted for inflation.)

Proposed -7 from Sen. Ferrioli: Replaces original measure. Raises statewide and Portland Metro minimum wage to same level and on same timeline as in -5 amendment. Provides employer refundable tax credit equal to net increase in wages paid to taxpayer's employees as required by this Act. Becomes effective date 91<sup>st</sup> day following adjournment sine die.

Proposed -9 from Sen. Ferrioli: Replaces original measure. Raises statewide and Portland Metro minimum wage to same level and on same timeline as in -5 amendment but applies it to employers of 50 or more employees. Declares emergency, effective on passage.

Proposed -13 from Sen. Dembrow: Raises base minimum wage to \$13.50 by July 1, 2022. Establishes higher wage for employees working within the urban growth boundary of the Portland metropolitan area and lower wage for employees working in nonurban county. Set Portland metropolitan area minimum wage after June 30, 2023, to be no less than \$1.25 more than base minimum wage. Sets nonurban minimum wage after June 30, 2023, to be no less than \$1.00 less than base minimum wage. Declares emergency, effective on passage.

**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 U.S. City Average Consumer Price Index for All Urban Consumers for All Items. Currently, Oregon's minimum wage is \$9.25 an hour; it did not increase in 2016.

2/4/2016 12:10:00 PM \*

***This summary has not been adopted or officially endorsed by action of the committee.***

Continued on page 2

The following table reports the number of jobs in various wage categories. Data is for the first quarter of 2014 and was provided by the Oregon Employment Department. Note that the minimum wage in 2014 was \$9.10 per hour.

Q1 2014	Jobs	Percent
Minimum Wage	103,000	6%
Minimum Wage to \$11.50	339,000	19%
\$11.51 to \$13.00	141,000	8%
\$13.01 to \$15.00	154,000	8%
Above \$15.00	1,077,000	59%