

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Business and Labor

Fiscal: May have fiscal impact, but no statement yet issued

Revenue: May have revenue impact, but no statement yet issued

Action Date:

Action:

Meeting Dates:

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WHAT THE MEASURE DOES:

Increases minimum wage rate in phases to \$13.50 per hour by 2019. Repeals state preemption of local government authority to set minimum wage requirements. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

Proposed -2: Replaces original measure. Raises base minimum wage to \$13.50 per hour by July 1, 2022. Establishes higher minimum wage (\$14.75 by 2022) for employees working within urban growth boundary of Portland metropolitan area and lower minimum wage (\$12.50 by 2022) for those working in 18 nonurban counties. Adjusts base minimum wage annually for inflation starting July 1, 2023. Sets 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 \$0.25 per hour. Currently, the federal minimum wage is \$7.25 per hour. Oregon set a minimum wage in 1911. In 2002, Oregon voters enacted Measure 25, setting the Oregon minimum wage at \$6.90 per hour and directing the Labor Commissioner to annually adjust the Oregon minimum wage for inflation as measured by the U.S. City Average Consumer Price Index for All Urban Consumers. Oregon's minimum wage is currently \$9.25 per hour. It did not increase in 2016 as the change in the CPI was too small to trigger an increase.

House Bill 4054 raises the minimum wage over three years to \$13.50 by 2019. The measure also allows local governments to set minimum wage requirements. The measure is a combination of Initiative 58 and Initiative 59, both of which were filed for the November 2016 ballot by the Raise the Wage Coalition.