

## STAFF MEASURE SUMMARY

## House Committee On Business and Labor

**Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:** 02/10/16**Action:** Without Recommendation As To Passage, With Amendments, And Be Referred To Rules. (Printed A-Eng.)**Meeting Dates:** 02/10**Vote:**

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

Nays: 4 - Barreto, Esquivel, Heard, Kennemer

Exc: 1 - Weidner

**Prepared By:** Jan Nordlund, Committee Administrator**WHAT THE MEASURE DOES:**

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.

**ISSUES DISCUSSED:**

- Move to Rules Committee without recommendation
- Unknown fiscal impacts and workplace effects

**EFFECT OF COMMITTEE AMENDMENT:**

Replaces original measure.

**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-A raises the minimum wage on a seven year schedule. A base wage of \$13.50 will be reached on July 1, 2022. Employees working for employers located within the urban growth boundary of the Portland metropolitan service district will reach \$14.75 on July 1, 2022. Employees in nonurban counties will reach \$12.50 by July 1, 2022. Starting July 1, 2023, the base wage will be annually adjusted for inflation. The Portland area wage will be \$1.25 higher than the base and the nonurban county wage will be \$1.00 lower than the base. The nonurban counties are Baker, Coos, Crook, Curry, Douglas, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, and Wheeler.