

# A-Engrossed

## Senate Bill 1997

Ordered by the Senate February 9  
Including Senate Amendments dated February 9

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Workforce and General Government)

### SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

*[Establishes tiered system for determination of minimum wage based on size and geographic location of employer. Suspends annual inflation adjustment for minimum wage rate until 2020. Establishes Wage Enforcement Fund. Creates Minimum Wage Advisory Committee.]*

*[Repeals state preemption of local minimum wage requirements.]*

**Establishes tiered system for determination of minimum wage based on geographical location of employer. Creates base rate for minimum wage through June 30, 2023. Suspends annual inflation adjustment for minimum wage rate until July 1, 2023. Requires employers located within Portland's urban growth boundary to pay rate higher than base rate for minimum wage. Allows employers located within certain counties to pay rate lower than base rate for minimum wage.**

Declares emergency, effective on passage.

### A BILL FOR AN ACT

1 Relating to minimum wage; creating new provisions; amending ORS 653.025; and declaring an  
2 emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 653.025 is amended to read:

6 653.025. (1) Except as provided [*by*] **in subsections (2) and (3) of this section**, ORS 652.020 and  
7 the rules of the Commissioner of the Bureau of Labor and Industries issued under ORS 653.030 and  
8 653.261, for each hour of work time that the employee is gainfully employed, no employer shall em-  
9 ploy or agree to employ any employee at wages computed at a rate lower than:

10 *[(a) For calendar year 1997, \$5.50.]*

11 *[(b) For calendar year 1998, \$6.00.]*

12 *[(c) For calendar years after December 31, 1998, and before January 1, 2003, \$6.50.]*

13 *[(d)] (a) For calendar year 2003, \$6.90.*

14 *[(e)] (b) [For calendar years after 2003] From January 1, 2004, to June 30, 2016, a rate adjusted  
15 for inflation as calculated by the commissioner.*

16 *(c) From July 1, 2016, to June 30, 2017, \$9.75.*

17 *(d) From July 1, 2017, to June 30, 2018, \$10.25.*

18 *(e) From July 1, 2018, to June 30, 2019, \$10.75.*

19 *(f) From July 1, 2019, to June 30, 2020, \$11.25.*

20 *(g) From July 1, 2020, to June 30, 2021, \$12.*

21 *(h) From July 1, 2021, to June 30, 2022, \$12.75.*

22 *(i) From July 1, 2022, to June 30, 2023, \$13.50.*

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.  
New sections are in **boldfaced** type.

1       (j) After June 30, 2023, beginning on July 1 of each year, a rate adjusted annually for in-  
 2 flation as described in subsection (5) of this section.

3       (2) If the employer is located within the urban growth boundary of a metropolitan service  
 4 district organized under ORS chapter 268, except as provided by ORS 652.020 and the rules  
 5 of the commissioner issued under ORS 653.030 and 653.261, for each hour of work time that  
 6 the employee is gainfully employed, no employer shall employ or agree to employ any em-  
 7 ployee at wages computed at a rate lower than:

- 8       (a) From July 1, 2016, to June 30, 2017, \$9.75.
- 9       (b) From July 1, 2017, to June 30, 2018, \$11.25.
- 10       (c) From July 1, 2018, to June 30, 2019, \$12.
- 11       (d) From July 1, 2019, to June 30, 2020, \$12.50.
- 12       (e) From July 1, 2020, to June 30, 2021, \$13.25.
- 13       (f) From July 1, 2021, to June 30, 2022, \$14.
- 14       (g) From July 1, 2022, to June 30, 2023, \$14.75.

15       (h) After June 30, 2023, an employer described in this subsection shall pay an employee  
 16 no less than \$1.25 per hour more than the minimum wage determined under subsection (1)(j)  
 17 of this section.

18       (3) If the employer is located within a nonurban county as described in section 2 of this  
 19 2016 Act, except as provided by ORS 652.020 and the rules of the commissioner issued under  
 20 ORS 653.030 and 653.261, for each hour of work time that the employee is gainfully employed,  
 21 no employer shall employ or agree to employ any employee at wages computed at a rate  
 22 lower than:

- 23       (a) From July 1, 2016, to June 30, 2017, \$9.50.
- 24       (b) From July 1, 2017, to June 30, 2018, \$10.
- 25       (c) From July 1, 2018, to June 30, 2019, \$10.50.
- 26       (d) From July 1, 2019, to June 30, 2020, \$11.
- 27       (e) From July 1, 2020, to June 30, 2021, \$11.50.
- 28       (f) From July 1, 2021, to June 30, 2022, \$12.
- 29       (g) From July 1, 2022, to June 30, 2023, \$12.50.

30       (h) After June 30, 2023, an employer described in this subsection shall pay an employee  
 31 no less than \$1 per hour less than the minimum wage determined under subsection (1)(j) of  
 32 this section.

33       (4) The commissioner shall adopt rules for determining an employer's location under  
 34 subsection (2) of this section.

35       [(2)(a)] (5)(a) The Oregon minimum wage shall be adjusted [*annually*] for inflation[,] as provided  
 36 in paragraph (b) of this subsection.

37       (b) No later than [*September*] April 30 of each year, beginning in [*calendar year 2003*] 2023, the  
 38 commissioner shall calculate an adjustment of the wage amount specified in subsection (1)(j) of this  
 39 section based upon the increase, if any, [*if any*] from [*August*] March of the preceding year to  
 40 [*August*] March of the year in which the calculation is made in the U.S. City Average Consumer  
 41 Price Index for All Urban Consumers for All Items as prepared by the Bureau of Labor Statistics  
 42 of the United States Department of Labor or its successor.

43       (c) The wage amount [*established*] as adjusted under this subsection shall[.]

44       [(A)] be rounded to the nearest five cents[; and].

45       [(B)] (d) The wage amount as adjusted under this subsection [*become*] becomes effective as

1 the new Oregon minimum wage **amount**, replacing the [*dollar figure specified in subsection (1)*]  
2 **minimum wage amount specified in subsection (1)(j)** of this section, on [*January 1 of the fol-*  
3 *lowing year*] **July 1 of the year in which the calculation is made**.

4 **SECTION 2. For purposes of ORS 653.025, “nonurban county” means any of the following**  
5 **counties:**

6       **(1) Baker;**  
7       **(2) Coos;**  
8       **(3) Crook;**  
9       **(4) Curry;**  
10      **(5) Douglas;**  
11      **(6) Gilliam;**  
12      **(7) Grant;**  
13      **(8) Harney;**  
14      **(9) Jefferson;**  
15      **(10) Klamath;**  
16      **(11) Lake;**  
17      **(12) Malheur;**  
18      **(13) Morrow;**  
19      **(14) Sherman;**  
20      **(15) Umatilla;**  
21      **(16) Union;**  
22      **(17) Wallowa; or**  
23      **(18) Wheeler.**

24 **SECTION 3. This 2016 Act being necessary for the immediate preservation of the public**  
25 **peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect**  
26 **on its passage.**