

# Senate Bill 1997

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## 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 **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest:** The Act changes the things that certain housing moneys can be spent on. The Act creates a new fund to hold deposits from private security companies. (Flesch Readability Score: 69.9).

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.  
Declares emergency, effective on passage.

## A BILL FOR AN ACT

Relating to minimum wage; creating new provisions; amending ORS 653.025; repealing ORS 653.017; and declaring an emergency.

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

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

**653.025. (1) As used in subsection (2) of this section:**

(a) **“Tier one employer” means an employer located in Clackamas, Multnomah or Washington County.**

(b) **“Tier two employer” means an employer located in Benton, Clatsop, Columbia, Deschutes, Hood River, Jackson, Lane, Linn, Marion, Polk or Yamhill County.**

(c) **“Tier three employer” means an employer located in any Oregon county that is not listed in paragraph (a) or (b) of this subsection.**

[(1)] (2) Except as provided by ORS 652.020 and the rules of the Commissioner of the Bureau of Labor and Industries issued under ORS 653.030 and 653.261, for each hour of work time that the employee is gainfully employed, no employer shall employ or agree to employ any employee at wages computed at a rate lower than:

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

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

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

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

[(e)] (b) For calendar years [*after 2003*] **2004 through 2016**, a rate adjusted for inflation **as calculated by the commissioner.**

(c) **For calendar year 2017:**

(A) **\$\_\_\_\_ for tier one employers with fewer than 25 employees.**

(B) **\$\_\_\_\_ for tier one employers with 25 or more employees.**

(C) **\$\_\_\_\_ for tier two employers with fewer than 25 employees.**

(D) **\$\_\_\_\_ for tier two employers with 25 or more employees.**

**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       (E) \$\_\_\_\_ for tier three employers with fewer than 25 employees.

2       (F) \$\_\_\_\_ for tier three employers with 25 or more employees.

3       (d) For calendar year 2018:

4       (A) \$\_\_\_\_ for tier one employers with fewer than 25 employees.

5       (B) \$\_\_\_\_ for tier one employers with 25 or more employees.

6       (C) \$\_\_\_\_ for tier two employers with fewer than 25 employees.

7       (D) \$\_\_\_\_ for tier two employers with 25 or more employees.

8       (E) \$\_\_\_\_ for tier three employers with fewer than 25 employees.

9       (F) \$\_\_\_\_ for tier three employers with 25 or more employees.

10      (e) For calendar year 2019:

11      (A) \$\_\_\_\_ for tier one employers with fewer than 25 employees.

12      (B) \$\_\_\_\_ for tier one employers with 25 or more employees.

13      (C) \$\_\_\_\_ for tier two employers with fewer than 25 employees.

14      (D) \$\_\_\_\_ for tier two employers with 25 or more employees.

15      (E) \$\_\_\_\_ for tier three employers with fewer than 25 employees.

16      (F) \$\_\_\_\_ for tier three employers with 25 or more employees.

17      (f) For calendar years after 2019, a rate adjusted for inflation as described in subsection

18      (3) of this section.

19      [(2)(a)] (3)(a) The Oregon minimum wage shall be adjusted [*annually*] for inflation[,] as provided  
20      in paragraph (b) of this subsection.

21      (b) No later than September 30 of each year, beginning in calendar year [2003] 2019, the com-  
22      missioner shall calculate an adjustment of the wage [*amount*] **amounts** specified in [subsection (1)]  
23      **subsection (2)** of this section based upon the increase, **if any**, [(*if any*)] from August of the pre-  
24      ceding year to August of the year in which the calculation is made in the U.S. City Average Con-  
25      sumer Price Index for All Urban Consumers for All Items as prepared by the Bureau of Labor  
26      Statistics of the United States Department of Labor or its successor.

27      (c) The wage [*amount*] **amounts** established under this subsection shall:

28       (A) Be rounded to the nearest five cents; and

29       (B) Become effective as the new Oregon minimum wage **amounts**, replacing the dollar [*figure*]  
30      **figures** specified in [subsection (1)] **subsection (2)** of this section, on January 1 of the following  
31      year.

32      (4) The determination under subsection (2) of this section of the number of employees  
33      of an employer shall be made using the total number of employees employed by the employer  
34      anywhere in this state, including franchise employees, if any.

35      (5) The commissioner shall adopt rules for the determination under subsections (2) and  
36      (4) of this section of an employer's location and of the number of employees of the employer.

37      SECTION 2. (1) The Wage Enforcement Fund is established separate and distinct from  
38      the General Fund. For each hour of work time that an employee is gainfully employed, an  
39      employer shall pay \$0.01 to the Employment Department. All moneys shall be paid to and  
40      collected by the Director of the Employment Department in a manner consistent with ORS  
41      657.505. All moneys received by the department under this subsection shall be paid into the  
42      State Treasury and credited to the Wage Enforcement Fund. All income earned on moneys  
43      in the Wage Enforcement Fund invested by the State Treasurer shall accrue to the fund.

44      (2) All income earned on moneys in the Wage Enforcement Fund, and all other moneys  
45      in the fund, are continuously appropriated to the Commissioner of the Bureau of Labor and

1      **Industries to carry out the provisions of ORS chapters 652 and 653.**

2            **SECTION 3.** (1) The Commissioner of the Bureau of Labor and Industries shall appoint  
3      a Minimum Wage Advisory Committee. The advisory committee must include an equal  
4      number of members representing labor and management.

5            (2) Upon request by a particular industry, profession or local government, as defined in  
6      ORS 174.116, the advisory committee shall:

7              (a) Determine when the ordinary course of business of the requesting industry, profes-  
8      sion or local government makes compliance with the tier system described in ORS 653.025  
9      difficult for an employer in that industry, profession or local government;

10             (b) Submit to the commissioner recommendations for rules that address the barriers to  
11      compliance identified under paragraph (a) of this subsection; and

12             (c) Submit a report in the manner provided in ORS 192.245, and may include recommen-  
13      dations for legislation, to the Legislative Assembly no later than December 31 of each year.

14             (3) The commissioner shall determine the qualifications and terms of service of the  
15      members of the advisory committee.

16             (4) All agencies of state government, as defined in ORS 174.111, are directed to assist the  
17      Minimum Wage Advisory Committee in the performance of its duties and, to the extent  
18      permitted by laws relating to confidentiality, to furnish such information and advice as the  
19      members of the advisory committee consider necessary to perform their duties.

20            **SECTION 4.** ORS 653.017 is repealed.

21            **SECTION 5.** The Commissioner of the Bureau of Labor and Industries shall appoint the  
22      first members of the Minimum Wage Advisory Committee created under section 3 of this  
23      2016 Act not later than January 1, 2020.

24            **SECTION 6.** 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.

27            \_\_\_\_\_