

D R A F T

SUMMARY

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

1
2 Relating to minimum wage; creating new provisions; amending ORS 653.025;
3 repealing ORS 653.017; and declaring an 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) As used in subsection (2) of this section:**

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

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

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

14 *[(1)]* **(2)** Except as provided by ORS 652.020 and the rules of the Commis-
15 sioner of the Bureau of Labor and Industries issued under ORS 653.030 and
16 653.261, for each hour of work time that the employee is gainfully employed,
17 no employer shall employ or agree to employ any employee at wages com-
18 puted at a rate lower than:

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

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

3 [(c) For calendar years after December 31, 1998, and before January 1, 2003,
4 \$6.50.]

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

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

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

9 (A) \$___ for tier one employers with fewer than 25 employees.

10 (B) \$___ for tier one employers with 25 or more employees.

11 (C) \$___ for tier two employers with fewer than 25 employees.

12 (D) \$___ for tier two employers with 25 or more employees.

13 (E) \$___ for tier three employers with fewer than 25 employees.

14 (F) \$___ for tier three employers with 25 or more employees.

15 (d) **For calendar year 2018:**

16 (A) \$___ for tier one employers with fewer than 25 employees.

17 (B) \$___ for tier one employers with 25 or more employees.

18 (C) \$___ for tier two employers with fewer than 25 employees.

19 (D) \$___ for tier two employers with 25 or more employees.

20 (E) \$___ for tier three employers with fewer than 25 employees.

21 (F) \$___ for tier three employers with 25 or more employees.

22 (e) **For calendar year 2019:**

23 (A) \$___ for tier one employers with fewer than 25 employees.

24 (B) \$___ for tier one employers with 25 or more employees.

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

26 (D) \$___ for tier two employers with 25 or more employees.

27 (E) \$___ for tier three employers with fewer than 25 employees.

28 (F) \$___ for tier three employers with 25 or more employees.

29 (f) **For calendar years after 2019, a rate adjusted for inflation as**
30 **described in subsection (3) of this section.**

31 [(2)(a)] (3)(a) The Oregon minimum wage shall be adjusted [*annually*] for

1 inflation[,] as provided in paragraph (b) of this subsection.

2 (b) No later than September 30 of each year, beginning in calendar year
3 [2003] **2019**, the commissioner shall calculate an adjustment of the wage
4 [amount] **amounts** specified in [subsection (1)] **subsection (2)** of this section
5 based upon the increase, **if any**, [(if any)] from August of the preceding year
6 to August of the year in which the calculation is made in the U.S. City
7 Average Consumer Price Index for All Urban Consumers for All Items as
8 prepared by the Bureau of Labor Statistics of the United States Department
9 of Labor or its successor.

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

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

12 (B) Become effective as the new Oregon minimum wage **amounts**, re-
13 placing the dollar [figure] **figures** specified in [subsection (1)] **subsection (2)**
14 of this section, on January 1 of the following year.

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

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

22 **SECTION 2. (1) The Wage Enforcement Fund is established separate**
23 **and distinct from the General Fund. For each hour of work time that**
24 **an employee is gainfully employed, an employer shall pay \$0.01 to the**
25 **Employment Department. All moneys shall be paid to and collected**
26 **by the Director of the Employment Department in a manner consist-**
27 **ent with ORS 657.505. All moneys received by the department under**
28 **this subsection shall be paid into the State Treasury and credited to**
29 **the Wage Enforcement Fund. All income earned on moneys in the**
30 **Wage Enforcement Fund invested by the State Treasurer shall accrue**
31 **to the fund.**

1 (2) All income earned on moneys in the Wage Enforcement Fund,
2 and all other moneys in the fund, are continuously appropriated to the
3 Commissioner of the Bureau of Labor and Industries to carry out the
4 provisions of ORS chapters 652 and 653.

5 SECTION 3. (1) The Commissioner of the Bureau of Labor and In-
6 dustries shall appoint a Minimum Wage Advisory Committee. The ad-
7 visory committee must include an equal number of members
8 representing labor and management.

9 (2) Upon request by a particular industry, profession or local gov-
10 ernment, as defined in ORS 174.116, the advisory committee shall:

11 (a) Determine when the ordinary course of business of the re-
12 questing industry, profession or local government makes compliance
13 with the tier system described in ORS 653.025 difficult for an employer
14 in that industry, profession or local government;

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

18 (c) Submit a report in the manner provided in ORS 192.245, and may
19 include recommendations for legislation, to the Legislative Assembly
20 no later than December 31 of each year.

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

23 (4) All agencies of state government, as defined in ORS 174.111, are
24 directed to assist the Minimum Wage Advisory Committee in the per-
25 formance of its duties and, to the extent permitted by laws relating
26 to confidentiality, to furnish such information and advice as the
27 members of the advisory committee consider necessary to perform
28 their duties.

29 SECTION 4. ORS 653.017 is repealed.

30 SECTION 5. The Commissioner of the Bureau of Labor and Indus-
31 tries shall appoint the first members of the Minimum Wage Advisory

1 **Committee created under section 3 of this 2016 Act not later than**
2 **January 1, 2020.**

3 **SECTION 6. This 2016 Act being necessary for the immediate pres-**
4 **ervation of the public peace, health and safety, an emergency is de-**
5 **clared to exist, and this 2016 Act takes effect on its passage.**

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