

JAN 31 2001  
LABOR & INDUSTRIAL RELATIONS

HOUSE FILE 155  
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COHOON, and FALLON

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the state minimum wage by establishing  
2 findings and increasing the state minimum hourly wage.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 155

1 Section 1. FINDINGS -- STATEMENT OF PURPOSE.

2 1. The general assembly finds that:

3 a. Using the federal minimum wage of \$5.15 as a guide, the  
4 buying power of \$5.15 is 19 percent below the 1979 level of  
5 inflation in adjusted terms.

6 b. A minimum wage of \$5.15 does not lift a family of three  
7 out of poverty as set by the United States department of labor  
8 in its 2000 poverty guidelines for the 48 contiguous states  
9 and the District of Columbia at \$14,150.

10 c. The intent of the minimum wage is to maintain a minimum  
11 standard of living for workers in order to assure their  
12 health, efficiency, and general well-being.

13 2. It is the purpose of this Act to raise the minimum wage  
14 to reflect the lost purchasing power of the current minimum  
15 wage due to inflation, and to thereafter raise the minimum  
16 wage to reflect future lost purchasing power.

17 Sec. 2. Section 91D.1, Code 2001, is amended by striking  
18 the section and inserting in lieu thereof the following:

19 91D.1 STATE MINIMUM WAGE.

20 1. On January 1, 2002, every employer, as defined in the  
21 federal Fair Labor Standards Act, shall pay to each of the  
22 employer's employees, as defined in the federal Fair Labor  
23 Standards Act, wages at an hourly rate equal to the greatest  
24 of the following:

25 a. Six dollars and fifty cents.

26 b. An hourly wage, if annualized based on two thousand  
27 eighty hours of work per year, equivalent to no less than one  
28 hundred fifty percent of the federal poverty level for a  
29 family of one, as defined by the most recently revised poverty  
30 income guidelines as published in the federal register by the  
31 United States department of health and human services.

32 c. The current federal minimum wage pursuant to 29 U.S.C.  
33 § 206.

34 2. On January 1, 2004, every employer, as defined in the  
35 federal Fair Labor Standards Act, shall pay to each of the

1 employer's employees, as defined in the federal Fair Labor  
2 Standards Act, wages at an hourly rate equal to the greater of  
3 the following:

- 4 a. The amount calculated pursuant to subsection 3.
- 5 b. The current federal minimum wage pursuant to 29 U.S.C.  
6 § 206.

7 3. Beginning September 30, 2003, and on each September 30  
8 thereafter, the department of workforce development shall  
9 calculate an adjusted minimum wage rate to maintain employee  
10 purchasing power by increasing the current year's minimum wage  
11 rate by the rate of inflation. The adjusted minimum wage rate  
12 shall be calculated to the nearest cent using the consumer  
13 price index for urban wage earners and clerical workers, or a  
14 successor index, for the twelve months prior to each September  
15 1 as calculated by the United States department of labor.  
16 Each adjusted minimum wage rate calculated under this  
17 subsection takes effect on the following January 1, except as  
18 otherwise provided in subsection 2.

19 4. The labor commissioner shall adopt rules to implement  
20 and administer this section.

21 5. This section shall be enforced pursuant to chapter 91A.

22 EXPLANATION

23 This bill establishes findings and a purpose for increasing  
24 the state minimum wage, and sets the state minimum wage for  
25 the period beginning January 1, 2002, at the greatest of  
26 \$6.50, the federal minimum wage, or an hourly wage level based  
27 on 150 percent of the federal poverty level. For the calendar  
28 year beginning January 1, 2004, and each January thereafter,  
29 the bill sets the state minimum wage at the greater of the  
30 federal minimum wage or an adjusted rate calculated by the  
31 department of workforce development to the nearest cent using  
32 the consumer price index for urban wage earners and clerical  
33 workers.

34 The bill strikes wage provisions currently in Code that are  
35 obsolete, that set forth a formula for determining whether an

1 employee of a restaurant, hotel, motel, inn, or cabin, who  
2 customarily and regularly receives more than \$30 a month in  
3 tips is receiving the minimum state or federal hourly wage  
4 rate and which permits such an employee to file a written  
5 appeal with the labor commissioner, a provision specifying a  
6 training wage for employees with less than 90 calendar days of  
7 employment with an employer, and a provision which adopted by  
8 reference a United States Code provision that was repealed in  
9 1989.

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