

FEB 27 2001

LABOR & INDUSTRIAL RELATIONS

HOUSE FILE 431

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and REYNOLDS

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the state minimum hourly wage rate and the
2 hourly wage paid by businesses applying for or receiving state
3 financial assistance.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 431

1 Section 1. Section 15A.1, Code 2001, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5. In addition to the requirements of
4 subsections 2 and 3, a state agency shall not provide a grant,
5 loan, or other financial assistance to a private person or on
6 behalf of a private person unless the business for whose
7 benefit the financial assistance is to be provided pays at
8 minimum a living wage to its employees. For purposes of this
9 subsection, "living wage" means an hourly wage of no less than
10 the annualized federal poverty level for a family of four, as
11 defined by the most recently revised poverty income guidelines
12 as published by the United States department of health and
13 human services, divided by two thousand eighty. If any
14 provision of this subsection, which relates to a living wage
15 paid by a business applying for or receiving state financial
16 assistance, is inconsistent or conflicts with other provisions
17 of chapter 15 or this chapter, the provision that specifies
18 the higher wage rate prevails.

19 Sec. 2. Section 91D.1, subsection 1, paragraphs a and d,
20 Code 2001, are amended to read as follows:

21 a. The hourly wage stated in the federal minimum wage law,
22 pursuant to 29 U.S.C. § 206, shall be increased to ~~\$3.85~~ \$5.65
23 on January 1, ~~of 1990~~, 2002, ~~\$4.25 on January 1 of 1991~~, and
24 ~~\$4.65~~ to \$6.15 on January 1, ~~of 1992~~ 2003.

25 d. An employer is not required to pay an employee the
26 applicable minimum wage provided in paragraph "a" until the
27 employee has completed ninety calendar days of employment with
28 the employer. An employee who has completed ninety calendar
29 days of employment with the employer prior to January 1, ~~of~~
30 ~~1990~~ 2002, ~~1991~~ or ~~1992~~ January 1, 2003, shall earn the
31 applicable hourly minimum wage. An employer shall pay an
32 employee who has not completed ninety calendar days of
33 employment with the employer an hourly wage of at least ~~\$3.35~~
34 \$5.15 as of January 1, ~~of 1990~~ 2002, ~~\$3.85 as of January 1 of~~
35 ~~1991~~ and ~~\$4.25~~ \$5.65 as of January 1, ~~of 1992~~ 2003.

1 Sec. 3. Section 91D.1, subsection 2, Code 2001, is amended
2 by striking the subsection.

3 EXPLANATION

4 This bill prohibits a state agency from providing state
5 financial assistance to any business that does not pay a
6 "living wage", raises the state's minimum wages and strikes a
7 provision that cites a repealed United States Code provision.

8 The bill prohibits a state agency from providing financial
9 assistance to a business unless the business pays its
10 employees a "living wage", which the bill defines as an hourly
11 wage of no less than the annualized federal poverty level for
12 a family of four, divided by 2,080 (40 hours' work per week
13 for 52 weeks).

14 The bill also raises the state's hourly minimum wage to
15 \$5.65 beginning January 1, 2002, and to \$6.15 beginning
16 January 1, 2003. The hourly minimum wage for employees
17 serving a 90-day training period is raised to \$5.15 on January
18 1, 2002, and to \$5.65 on January 1, 2003. The federal minimum
19 wage is currently \$5.15.

20 The bill also strikes a provision that adopts by reference
21 a United States Code provision, repealed in 1989, that
22 exempted certain employers from the requirements of the state
23 minimum wage law.

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