

JAN 24 2002  
LABOR & INDUSTRIAL RELATIONS

HOUSE FILE 2117

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

HF 2117

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

3 NEW SUBSECTION. 6. 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 that 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~~ 2003, ~~\$4.25~~ on January 1 of 1991, and  
24 ~~\$4.65~~ to \$6.15 on January 1, ~~of 1992~~ 2004.

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~~ 2003, ~~1991~~ or ~~1992~~ January 1, 2004, 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~~ 2003, ~~\$3.85~~ as of January 1 of  
35 ~~1991~~ and ~~\$4.25~~ \$5.65 as of January 1, ~~of 1992~~ 2004.

EXPLANATION

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any business that does not pay a "living wage", raises the state's minimum wages and strikes a provision that cites a repealed United States Code provision.

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

The bill also raises the state's hourly minimum wage to \$5.65 beginning January 1, 2003, and to \$6.15 beginning January 1, 2004. The hourly minimum wage for employees serving a 90-day training period is raised to \$5.15 on January 1, 2003, and to \$5.65 on January 1, 2004. The federal minimum wage is currently \$5.15.