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BUSINESS & LABOR

SENATE FILE 2229

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

A BILL FOR

1 An Act increasing the minimum hourly wage rate and eliminating  
2 certain exemptions, and making related changes.

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

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S.F. 2229

1 Section 1. Section 91D.1, subsection 1, Code 1997, is  
2 amended to read as follows:

3 1. a. ~~The hourly wage stated in the federal minimum wage~~  
4 ~~law pursuant to 29 U.S.C. § 206, shall be increased to \$3.85~~  
5 ~~on January 1 of 1990, \$4.25 on January 1 of 1991, and \$4.65 on~~  
6 ~~January 1 of 1992.~~

7 b. Every employer, as defined in the federal Fair Labor  
8 Standards Act, shall pay to each of the employer's employees,  
9 as defined in the federal Fair Labor Standards Act, wages of  
10 ~~not less than the current federal minimum wage, at a rate not~~  
11 ~~less than fifty cents per hour greater than the prevailing~~  
12 ~~federal Fair Labor Standards Act minimum wage pursuant to 29~~  
13 ~~U.S.C. § 206, or the wage rate stated in paragraph "a",~~  
14 ~~whichever is greater.~~

15 c. b. For purposes of determining whether an employee of a  
16 restaurant, hotel, motel, inn, or cabin, who customarily and  
17 regularly receives more than thirty dollars a month in tips is  
18 receiving the minimum hourly wage rate prescribed by this  
19 section, the amount paid the employee by the employer shall be  
20 deemed to be increased on account of the tips by an amount  
21 determined by the employer, not to exceed forty percent of the  
22 applicable minimum wage rate. An employee may file a written  
23 appeal with the labor commissioner if the amount of tips  
24 received by the employee is less than the amount determined by  
25 the employer under this subsection.

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

1 Sec. 2. Section 91D.1, subsection 2, Code 1997, is amended  
2 by striking the subsection.

3 Sec. 3. Section 96.5, subsection 3, paragraph a,  
4 subparagraph (4), Code Supplement 1997, is amended to read as  
5 follows:

6 (4) Sixty-five percent, if the work is offered after the  
7 eighteenth week of unemployment.

8 However, the provisions of this paragraph shall not require an  
9 individual to accept employment below the ~~federal~~ minimum wage  
10 specified in chapter 91D.

11 Sec. 4. Section 99B.7, subsection 6, paragraph a, Code  
12 1997, is amended to read as follows:

13 a. Except as provided in this paragraph, a person shall  
14 not be compensated for services rendered in connection with a  
15 game of skill, game of chance, or raffle conducted under this  
16 section. This section forbids payment of compensation to  
17 persons including, but not limited to, managers, callers,  
18 cashiers, floor workers, janitorial personnel, accountants and  
19 bookkeepers. The privilege of selling merchandise on the  
20 premises during a bingo occasion is deemed to be compensation.  
21 However, not more than four persons per one hundred players,  
22 participating in the bingo occasion may be employed. An  
23 employee under this paragraph need not be a member of the  
24 qualified organization or a regular participant in the  
25 activities of the qualified organization or in an educational,  
26 civic, public, charitable, patriotic, or religious  
27 organization to which the net receipts are dedicated by the  
28 qualified organization. The wages of an employee shall not  
29 exceed the ~~federal~~ minimum wage specified in chapter 91D.

30 This section does not prohibit the employment of one or more  
31 individuals to serve as security officers. A person who  
32 knowingly pays or receives compensation in violation of this  
33 section commits a fraudulent practice.

34 Sec. 5. Section 99F.7, subsection 6, Code 1997, is amended  
35 to read as follows:

1 6. It is the intent of the general assembly that employees  
2 be paid at least twenty-five percent above the federal minimum  
3 wage level specified in chapter 91D.

4 Sec. 6. Section 239.2, subsection 3, paragraph c, Code  
5 1997, is amended to read as follows:

6 c. At any time during the thirty-day period prior to  
7 receipt of assistance under this chapter or at any time  
8 thereafter while assistance is payable under this chapter, has  
9 not been available for employment, has not actively sought  
10 employment, or has without good cause refused any bona fide  
11 offer of employment or training for employment. The following  
12 reasons for refusing employment or training are not good  
13 cause: unsuitable or unpleasant work or training, if the  
14 parent is able to perform the work or training without unusual  
15 danger to the parent's health; or the amount of wages or  
16 compensation, unless the wages for employment are below the  
17 federal minimum wage specified in chapter 91D.

18 Sec. 7. Section 537.5105, subsection 2, Code 1997, is  
19 amended to read as follows:

20 2. In addition to the provisions of section 642.21, the  
21 maximum part of the aggregate disposable earnings of an  
22 individual for any workweek which is subjected to garnishment  
23 to enforce payment of a judgment arising from a consumer  
24 credit transaction may not exceed the lesser of twenty-five  
25 percent of the individual's disposable earnings for that week,  
26 or the amount by which the individual's disposable earnings  
27 for that week exceed forty times the federal minimum hourly  
28 wage prescribed by the Fair Labor Standards Act of 1938,  
29 United States Code, title 29, section 206, subsection "a,"  
30 paragraph (1), in effect at the time the earnings are payable  
31 specified in chapter 91D.

32 In the case of earnings for a pay period other than a week,  
33 the administrator shall prescribe by rule a multiple of the  
34 federal minimum hourly wage specified in chapter 91D  
35 equivalent in effect to that set forth for a pay period of a

1 week.

2 Sec. 8. Section 909.3A, Code 1997, is amended to read as  
3 follows:

4 909.3A COMMUNITY SERVICE OPTION.

5 The court may, in its discretion, order the defendant to  
6 perform community service work of an equivalent value to the  
7 fine imposed where it appears that the community service work  
8 will be adequate to deter the defendant and to discourage  
9 others from similar criminal activity. The rate at which  
10 community service shall be calculated shall be the federal  
11 minimum wage specified in chapter 91D.

12 EXPLANATION

13 This bill increases the state minimum wage to 50 cents  
14 above the federal minimum wage rate per hour and eliminates a  
15 provision that applied the federal exemptions from the minimum  
16 wage requirements to state law. Current Code language that  
17 provides a formula for determining whether an employee of a  
18 restaurant, hotel, motel, inn, or cabin is receiving the  
19 minimum hourly wage rate is retained under the bill.

20 In the following Code provisions, all references to the  
21 minimum wage were preceded by the word "federal." The bill  
22 changes all references to the federal minimum wage to the  
23 minimum wage specified in chapter 91D of the Code:

24 96.5(3),(a),(4): Providing that a person cannot be  
25 disqualified from receiving unemployment benefits if the  
26 person fails to accept employment below the minimum wage.

27 99B.7,(6),(a): The wages of a person employed to conduct a  
28 qualified organization's games of chance, skill, or raffles  
29 shall not exceed the minimum wage.

30 99F.7,(6): The intent of the general assembly, that  
31 employees of excursion gambling boats and racetracks be paid  
32 at least 25 percent above the minimum wage.

33 239.2,(3),(c): Under the family investment program,  
34 certain specified reasons for refusing a job are not good  
35 cause unless the wages for employment are below the minimum

1 wage.

2 537.5105,(2): Under the consumer credit code, garnishment  
3 of wages is limited to the lesser of 25 percent of the  
4 person's disposable earnings for that week or the amount by  
5 which the person's disposable earnings for that week exceed 40  
6 times the minimum wage, or equivalent if the pay period is  
7 less than a week.

8 909.3A: As an option for the payment of fines imposed by a  
9 court, the court may order the defendant to perform community  
10 service work at a rate of time equivalent to the fine imposed,  
11 using the minimum wage to make the calculations.

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