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SENATE FILE 2222

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

A BILL FOR

1 An Act relating to the state minimum hourly wage rate requirement
2 and providing for an inflation adjustment.

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

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BUSINESS & LABOR

SF 2222

1 Section 1. Section 91D.1, subsection 1, paragraph a, Code
2 2005, is amended to read as follows:

3 a. (1) 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~~
6 \$7.25 on January 1 of 1992, 2007.

7 (2) No later than September 30 of each year, beginning in
8 the fiscal year beginning July 1, 2007, the labor commissioner
9 shall calculate an adjustment of the wage amount specified in
10 subparagraph (1) based upon the increase, from August of the
11 preceding year to August of the year in which the calculation
12 is made, in the United States city average consumer price
13 index for all urban consumers for all items as prepared by the
14 bureau of labor statistics of the United States department of
15 labor or its successor. The wage amount established under
16 this subparagraph shall be rounded to the nearest five cents
17 and shall take effect as the state minimum hourly wage rate,
18 replacing the amount specified in subparagraph (1), on January
19 1 of the following year.

20 Sec. 2. Section 91D.1, subsection 1, paragraph d, Code
21 2005, is amended by striking the paragraph.

22 EXPLANATION

23 This bill raises the state's hourly minimum wage to \$7.25
24 beginning January 1, 2007. The bill eliminates a separate,
25 lower minimum wage for employees who have worked less than 90
26 days for an employer. The bill also directs the labor
27 commissioner, beginning in fiscal year 2007-2008, to calculate
28 an adjustment to the minimum hourly wage rate set in the
29 previous fiscal year, based on the increase, from August of
30 the preceding year to August of the year in which the
31 calculation is made, in the U.S. city average consumer price
32 index for all urban consumers for all items as prepared by the
33 bureau of labor statistics of the U.S. department of labor.
34 The bill directs that the amount be rounded to the nearest 5
35 cents and take effect as the state minimum hourly wage rate,

1 replacing the prior year's rate, on January 1 of the following
2 year.

3 The federal minimum wage laws have primacy over state
4 minimum wage laws unless the state sets a higher minimum wage.
5 The federal hourly minimum wage, which took effect September
6 1, 1997, is \$5.15. The federal subminimum, or youth, wage for
7 employees under 20 years of age during their first 90
8 consecutive calendar days of employment with an employer is
9 \$4.25 an hour.

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