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**SENATE BILL 6029**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senator Miloscia

AN ACT Relating to establishing a living wage; amending RCW 49.46.005, 49.46.020, 49.46.120, 49.78.360, 82.04.250, and 82.32.045; adding a new section to chapter 35.21 RCW; adding a new section to chapter 35A.21 RCW; adding a new section to chapter 36.01 RCW; adding a new section to chapter 53.08 RCW; adding a new chapter to Title 49 RCW; and providing for submission of this act to a vote of the people.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  (1) The state of Washington hereby occupies and preempts the entire field regarding wages, hours of work, employee retention, and leave from employment within the boundaries of the state. A city, town, county, or port district may not require, enforce, or otherwise regulate by means of charter, ordinance, regulation, rule, resolution, or contract, including purchase agreement, any of the following for private employers: Payment of wages, hours of work, employee retention, or leave from employment. Any such provisions or terms may not be adopted or agreed to and are preempted and unenforceable. The state preemption created in this section applies to all charters, ordinances, regulations, rules, and resolutions regulating payment of wages, hours of work, employee retention, or leave from employment for private employers adopted by a city, town, county, or port district before or after the effective date of this section. Any term in a contract or purchase agreement regarding payment of wages, hours of work, employee retention, or leave from employment entered into after the effective date of this section is void and unenforceable.

(2) For purposes of this section:

(a) "Leave from employment" means sick leave, vacation leave, holiday leave, leave when an employee's place of business or child's school or place of care has been closed by order of a public official, and any other type of employee leave except leave for domestic violence, sexual assault, or stalking; and

(b) "Employee retention" means offering work to or retaining employees following a business succession.

(3) Subsection (1) of this section does not apply to any local laws, ordinances, administrative directives, contracts, or policies that affect only the employees of the city, town, county, or port district.

(4) This section does not impair any provision of a collective bargaining agreement in effect on the effective date of this section.

(5) The preemption created in this section must be broadly construed.

NEW SECTION. **Sec.**  Section 1 of this act constitutes a new chapter in Title 49 RCW.

NEW SECTION. **Sec.**  A new section is added to chapter 35.21 RCW to read as follows:

Section 1 of this act governs the authority of a city or town to regulate private employers and to contract regarding wages, hours of work, employee retention, or leave from employment.

NEW SECTION. **Sec.**  A new section is added to chapter 35A.21 RCW to read as follows:

Section 1 of this act governs the authority of a code city to regulate private employers and to contract regarding wages, hours of work, employee retention, or leave from employment.

NEW SECTION. **Sec.**  A new section is added to chapter 36.01 RCW to read as follows:

Section 1 of this act governs the authority of a county to regulate private employers and to contract regarding wages, hours of work, employee retention, or leave from employment.

NEW SECTION. **Sec.**  A new section is added to chapter 53.08 RCW to read as follows:

Section 1 of this act governs the authority of a port district to regulate private employers and to contract regarding wages, hours of work, employee retention, or leave from employment.

**Sec.**  RCW 49.46.005 and 1961 ex.s. c 18 s 1 are each amended to read as follows:

Whereas the establishment of a minimum wage for employees is a subject of vital and imminent concern to the people of this state and requires appropriate action by the legislature to establish minimum standards of employment within the state of Washington, therefore the legislature declares that in its considered judgment the health, safety, and the general welfare of the citizens of this state require the enactment of this measure, and exercising its police power, the legislature endeavors by this chapter to establish a minimum wage for employees of this state to encourage employment opportunities within the state and to allow employees to support themselves and their families with dignity. The legislature seeks to establish a minimum wage that enables employees to provide for the basic needs of their families and, therefore, not rely on social services provided by the state and paid for by state taxpayers. The provisions of this chapter are enacted in the exercise of the police power of the state for the purpose of protecting the immediate and future health, safety, and welfare of the people of this state.

**Sec.**  RCW 49.46.020 and 1999 c 1 s 1 are each amended to read as follows:

(1) ((~~Until January 1, 1999, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than four dollars and ninety cents per hour.~~

~~(2) Beginning January 1, 1999, and until January 1, 2000, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than five dollars and seventy cents per hour.~~

~~(3) Beginning January 1, 2000, and until January 1, 2001, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than six dollars and fifty cents per hour.~~

~~(4)~~))(a) Beginning ((~~on~~)) January 1, 2001, and each following January 1st until January 1, 2016, as set forth under (b) of this subsection, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than the amount established under (b) of this subsection.

(b) On September 30, 2000, and on each following September 30th until September 30, 2016, the department of labor and industries shall calculate an adjusted minimum wage rate to maintain employee purchasing power by increasing the current year's minimum wage rate by the rate of inflation. The adjusted minimum wage rate shall be calculated to the nearest cent using the consumer price index for urban wage earners and clerical workers, CPI-W, or a successor index, for the twelve months prior to each September 1st as calculated by the United States department of labor. Each adjusted minimum wage rate calculated under this subsection ((~~(4)~~)) (1)(b) takes effect on the following January 1st.

((~~(5)~~)) (2)(a) Beginning January 1, 2016, and each following January 1st as set forth under (b) of this subsection, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than the amount established under (b) of this subsection.

(b) On September 30, 2016, and on each following September 30th, the department of labor and industries shall calculate an adjusted minimum wage rate to maintain employee purchasing power by increasing the current year's minimum wage rate by the rate of inflation. Each adjusted minimum wage rate calculated under this subsection (2)(b) takes effect on the following January 1st.

(i) Except as provided in (b)(ii) of this subsection, the adjusted minimum wage rate must be calculated to the nearest cent using the percentage increase in the consumer price index for urban wage earners and clerical workers, CPI-W, or a successor index, for the twelve months prior to each September 1st as calculated by the United States department of labor.

(ii) If the per capita personal income for the preceding calendar year for Washington is greater than: (A) The per capita personal income for the second preceding calendar year for Washington; and (B) the per capita personal income for the preceding calendar year for the United States, the adjusted minimum wage rate must be calculated to the nearest cent using the percentage increase in the consumer price index for urban wage earners and clerical workers, CPI-W, or a successor index, for the twelve months prior to each September 1st as calculated by the United States department of labor plus three percent.

(3) The director shall by ((~~regulation~~)) rule establish the minimum wage for employees under the age of eighteen years.

**Sec.**  RCW 49.46.120 and 1961 ex.s. c 18 s 4 are each amended to read as follows:

This chapter establishes a minimum standard for wages and working conditions of all employees in this state, unless exempted herefrom, and is in addition to and supplementary to any other federal((~~,~~)) or state((~~, or local~~)) law ((~~or ordinance~~)), or any rule or regulation issued thereunder. Any standards relating to wages, hours, or other working conditions established by any applicable federal((~~,~~)) or state((~~, or local~~)) law ((~~or ordinance~~)), or any rule or regulation issued thereunder, which are more favorable to employees than the minimum standards applicable under this chapter, or any rule or regulation issued hereunder, shall not be affected by this chapter and such other laws, or rules or regulations, shall be in full force and effect and may be enforced as provided by law.

**Sec.**  RCW 49.78.360 and 2006 c 59 s 17 are each amended to read as follows:

((~~Nothing in~~)) This chapter ((~~shall be construed: (1) To~~)) does not modify or affect any state or local law prohibiting discrimination on the basis of race, religion, color, national origin, sex, age, or disability((~~; or (2) to supersede any provision of any local law that provides greater family or medical leave rights than the rights established under this chapter~~)).

**Sec.**  RCW 82.04.250 and 2014 c 97 s 402 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of making sales at retail, except persons taxable as retailers under other provisions of this chapter, as to such persons, the amount of tax with respect to such business is equal to the gross proceeds of sales of the business, multiplied by the rate of ((~~0.471~~)):

(a) Until June 30, 2023, 0.471 percent;

(b) Beginning July 1, 2025, 0.424 percent;

(c) Beginning July 1, 2027, 0.377 percent;

(d) Beginning July 1, 2029, 0.330 percent; and

(e) Beginning July 1, 2030, and thereafter 0.2904 percent.

(2) Upon every person engaging within this state in the business of making sales at retail that are exempt from the tax imposed under chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or 82.08.0263, except persons taxable under RCW 82.04.260(11) or subsection (3) of this section, as to such persons, the amount of tax with respect to such business is equal to the gross proceeds of sales of the business, multiplied by the rate of 0.484 percent.

(3)(a) Until July 1, 2040, upon every person classified by the federal aviation administration as a federal aviation regulation part 145 certificated repair station and that is engaging within this state in the business of making sales at retail that are exempt from the tax imposed under chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or 82.08.0263, as to such persons, the amount of tax with respect to such business is equal to the gross proceeds of sales of the business, multiplied by the rate of .2904 percent.

(b) A person reporting under the tax rate provided in this subsection (3) must file a complete annual report with the department under RCW 82.32.534.

**Sec.**  RCW 82.32.045 and 2010 1st sp.s. c 23 s 1103 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, payments of the taxes imposed under chapters 82.04, 82.08, 82.12, 82.14, and 82.16 RCW, along with reports and returns on forms prescribed by the department, are due monthly within twenty-five days after the end of the month in which the taxable activities occur.

(2) The department of revenue may relieve any taxpayer or class of taxpayers from the obligation of remitting monthly and may require the return to cover other longer reporting periods, but in no event may returns be filed for a period greater than one year. For these taxpayers, tax payments are due on or before the last day of the month next succeeding the end of the period covered by the return.

(3) The department of revenue may also require verified annual returns from any taxpayer, setting forth such additional information as it may deem necessary to correctly determine tax liability.

(4) Notwithstanding subsections (1) and (2) of this section, the department may relieve any person of the requirement to file returns if the following conditions are met:

(a) The person's value of products, gross proceeds of sales, or gross income of the business, from all business activities taxable under chapters 82.04 and 82.16 RCW, is less than:

(i) Until December 31, 2018, twenty-eight thousand dollars per year; ((~~or~~))

(ii) Until December 31, 2018, forty-six thousand six hundred sixty-seven dollars per year for persons generating at least fifty percent of their taxable amount from activities taxable under RCW 82.04.255, 82.04.290(2)(a), and 82.04.285;

((~~(b) The person's gross income of the business from all activities taxable under chapter 82.16 RCW is less than twenty-four thousand dollars per year; and~~

~~(c)~~)) (iii) Beginning January 1, 2019, one hundred thousand dollars per year;

(iv) Beginning January 1, 2020, one hundred fifty thousand dollars per year;

(v) Beginning January 1, 2021, two hundred thousand dollars per year; and

(vi) Beginning January 1, 2022, two hundred fifty thousand dollars per year; and

(b) The person is not required to collect or pay to the department of revenue any other tax or fee which the department is authorized to collect.

NEW SECTION. **Sec.**  The secretary of state shall submit this act to the people for their adoption and ratification, or rejection, at the next general election to be held in this state, in accordance with Article II, section 1 of the state Constitution and the laws adopted to facilitate its operation.

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