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**SENATE BILL 9003**

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**State of Washington** **65th Legislature** **2017 Regular Session**

**By** Senator \_\_\_\_\_\_\_\_\_\_\_\_\_

Read first time XX/XX/XX. Referred to Committee on Commerce & Labor.

AN ACT Relating to establishing a temporary teen training wage.

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

NEW SECTION. **Sec.**  A new section is added to chapter 49.46 RCW to read as follows:

The legislature finds that unemployment as a teen negatively impacts an individual's long-term employment prospects and earning potential. The legislature acknowledges that the director of labor and industries is already authorized to establish, by rule, a subminimum wage for employees under eighteen, and that pursuant to this authority and in an effort to encourage employers to hire unskilled teen workers, a subminimum wage is in place for young workers fourteen and fifteen years of age. The legislature further finds, however, that over the last decade, Washington has consistently ranked among the top ten states with the highest unemployment rate for those sixteen to nineteen years of age. The legislature intends to encourage employers to hire those sixteen to nineteen years of age by explicitly authorizing a subminimum wage for these older teens.

NEW SECTION. **Sec.**  A new section is added to chapter 49.46 RCW to read as follows:

Employers may pay teen training wages to new employees sixteen to nineteen years of age at eighty-five percent of the minimum wage required under RCW 49.46.020, or at the minimum wage rate required under federal law, whichever is greater. Employees working under the teen training wage may not constitute more than ten percent of an employer's workforce, except that employers with fewer than twenty employees may employ up to two employees at a time using the teen training wage.

**--- END ---**

**SENATE BILL REPORT**

**SB 9003**

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| This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent. |

**Title**: An act relating to creating a teen summer employment wage.

**Brief Description**: Creating a teen summer employment wage.

**Sponsors**: Senator \_\_\_\_\_\_\_\_\_\_\_.

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| SENATE COMMITTEE ON COMMERCE & LABOR |

**Staff**: [Teacher’s Name]

**Background**: Initiative 688, approved by voters in 1998, requires the Department of Labor and Industries (L&I) to make annual increases to the state minimum wage for adult workers to reflect the rate of inflation. L&I recalculates the minimum wage each September, and any change takes effect the following January.

L&I has authority to establish a separate minimum wage for minors by rule. Rules adopted by L&I provide that teen workers 16 or older must be paid at least the same minimum wage rate as adults, while workers under the age of 16 may be paid a minimum wage equal to 85 percent of the minimum wage.

L&I also has the statutory authority to issue special certificates to employers allowing them to pay wages lower than the minimum wage for a fixed period of time. Employers with special certificates may pay sub-minimum wages to learners, student workers, apprentices, and individuals impaired by age or physical or mental deficiency or injury.

The state minimum wage is $9.47 per hour. The federal minimum wage is $7.25 per hour.

**Summary of Bill**: Employers may pay teen training wages to new employees 16 to 19 years of age at 85 percent of the state minimum wage, or at the federal minimum wage, whichever is greater. Generally, employees working under the teen training wage may not constitute more than 10 percent of the employer's workforce, however there is an exception for employers with fewer than 20 employees that allows such employers to employ up to two employees at the teen training wage.

**Appropriation**: None.

**Effective Date**: Ninety days after adjournment of session in which bill is passed.

9003 AMENDMENT

By Senator \_\_\_\_\_\_\_\_\_\_

**SB 9003** - S COMM AMD **1**

By Committee on Commerce and Labor

On page 1, beginning on line 12, after "age." Strike all material through "teens." on line 18 and insert **“**The legislature further finds that while the employment rate for teens increases during the summer, a seasonal teen wage for teens fourteen to nineteen years of age would further increase the teen employment rate and would help a greater number of teens develop valuable work skills and experience and create a work ethic that will carry throughout the teen's working life.”

On page 1, beginning at the beginning of line 21, strike all material through "wage." on page 2, line 3 and insert “Employers may pay teen wages to new employees fourteen to nineteen years of age at the minimum wage rate required under federal law. Teen wages may only be paid to those new employees hired on a temporary or seasonal basis, and for work performed during the period starting the first day of June and ending the last day of August.”

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|  | EFFECT: Strikes the provision that allowed teen training wages for 16 to 19 year old new employees at 85% of the state's minimum wage or the federal minimum wage, whichever is greater, and instead permits subminimum wages for 14 to 19 year old teen workers who are new employees hired on a temporary or seasonal basis, and only during summer months. Removes the requirement that teen workers make up less than 10% of an employers’ workforce. |

**--- END ---**

9003 AMENDMENT

By Senator \_\_\_\_\_\_\_\_\_\_

**SB 9003** - S COMM AMD **2**

By Committee on Commerce and Labor

On page 1, at the beginning of line 17, strike “nineteen” and insert “seventeen”

On page 1, line 22, after "to" strike “nineteen” and insert “seventeen”

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|  | EFFECT: Changes the upper age limit for teen wages from nineteen to seventeen years old. |

**--- END ---**

9003 AMENDMENT

By Senator \_\_\_\_\_\_\_\_\_\_

**SB 9003** - S COMM AMD **3**

By Committee on Commerce and Labor

On page 2, after line 3, insert the following:

“NEW SECTION. **Sec. 3.** A new section is added to chapter 49.46 RCW to read as follows:

Employers must pay the full state minimum wage to employees between the ages of sixteen and nineteen who are legally emancipated, financially self-supporting, or cannot be claimed as a dependent on another person’s tax return.”

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|  | EFFECT: Requires that the full state minimum wage be paid to 16 to 19 year old employees who are legally emancipated, financially self-supporting, or cannot be claimed as a dependent on another person's tax return. |

**--- END ---**

9003 AMENDMENT

By Senator \_\_\_\_\_\_\_\_\_\_

**SB 9003** - S COMM AMD **4**

By Committee on Commerce and Labor

On line 1, line 18, after "teens" insert “, in order to provide opportunities for employment experience and job training to new teen workers, thereby building the foundation of a future strong and skilled workforce in Washington”.

On page 1, line 4, after “potential.”, insert “Moreover, a lack of job and training opportunities for teens weakens Washington’s long term economic health by reducing the preparedness of the next generation of workers.”

On page 1, beginning at the beginning of line 21, strike all material through "wage." on page 2, line 3, and insert "Employers may enroll in a Teen Training Wage Program as follows:

(1) Training wages may be paid to new employees fourteen to nineteen years of age, at eighty-five percent of the minimum wage required under RCW 49.46.020, or at the minimum wage rate required under federal law, whichever is greater.

(2) Employers must provide employees hired under the Teen Wage Training Program with paid time for to vocational training or educational opportunities related to career preparedness or advancement, amounting to at least one hour of paid training time for every fifteen hours worked.

(3) The department of labor and industries shall create and administer specific rules and requirements for participation in the Teen Wage Training Program.

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|  | EFFECT: Establishes a Teen Wage Training Program (Program) under the authority of the Department of Labor and Industries (DLI), requiring that employers who hire teen workers at the subminimum teen wage provide one hour of paid vocational training for every fifteen hours worked. Removes the cap on the number of employees working under the teen training wage. Tasks the DLI with establishing rules and requirements governing the Program. |

**--- END ---**

**Mock Role Sheet**

**HB 9003 – Teen Minimum Wage**

**Committee:** Commerce and Labor

**COMMITTEE MEMBERS**

*Study the bill, listen to and ask questions of lobbyists, propose amendments, vote on the bill and amendments*

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| **Majority Party** | **Minority Party** |
| Chair \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  *Presides over the committee and majority caucus, decides how the meeting will run*  Vice Chair \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  *Assists the chair, proposes motions*  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Ranking Member\_\_\_\_\_\_\_\_\_\_\_  *Leads minority caucus*  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

**PRIME SPONSOR \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

*Testifies first at the hearing, as the legislator who proposed the bill*

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| **LOBBYISTS**  *Research their position on the bill and attempt to persuade legislators, by testifying at the hearing and lobbying*   |  |  | | --- | --- | | **Pro** | **Con** | | *Support passing the bill*  Local small business owner  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Teen worker  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Parent  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_National Federation of Independent Businesses  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | *Oppose passing the bill*  Washington State Labor Council  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Union Representative  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  National Employment Law Group  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Teen worker  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | | |  |  |  |
| **With Concerns**  *Oppose the bill in its current form, but might support with amendments addressing problems* | | | |  |  |  |
| Older unemployed worker  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |