

BILL ANALYSIS

Senate Research Center

C.S.H.B. 804
By: Geren (Lindsay)
Business & Commerce
4/25/2003
Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, there is no provision preventing a municipality from establishing its own minimum wage. Although no city in Texas has established its own minimum wage, recently there was a ballot initiative to raise the minimum wage in Houston to \$6.50. C.S.H.B. 804 ensures the uniform application of the federal minimum wage in private employment at the local level.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 62.003(b), Labor Code, to delete the requirement that an earnings statement show the words "medical certificate," if the employee is paid a wage lower than the applicable minimum wage under Section 62.055.

SECTION 2. Amends Section 62.051, Labor Code, to delete Section 62.055 as a section under which there is an exception relating to the requirement that an employer pay to each employee the federal minimum wage under Section 6, Fair Labor Standards Act of 1938 (29 U.S.C. Section 206).

SECTION 3. Amends Subchapter B, Chapter 62, Labor Code, by adding Section 62.0515, as follows:

Sec. 62.0515. APPLICATION OF MINIMUM WAGE TO CERTAIN GOVERNMENTAL ENTITIES; CERTAIN AGREEMENTS WITH GOVERNMENTAL ENTITIES. (a) Provides that the minimum wage provided by this chapter supersedes a wage established in an ordinance, order, or charter provision governing wages in private employment, other than wages under a public contract.

(b) Provides that this section does not apply to any state or federal job training or workforce development program.

(c) Provides that this section does not apply to a minimum wage established by governmental entities applying to a contract or agreement between the governmental entity and the private entity. Provides that certain private entities entering into a contract or agreement with a governmental entity whereby the private entity agrees to comply with a minimum wage established by the governmental entity is subject to the terms of the contract or agreement and those terms apply to and are authorized to be enforced against certain individuals in order to comply with the provisions of the original contract or agreement.

(d) Defines "governmental entity."

SECTION 4. Amends Section 62.151, Labor Code, as follows:

Sec. 62.151. PERSON COVERED BY FEDERAL ACT. Provides that this chapter and

a municipal ordinance or charter provision governing wages in private employment, other than wages under a public contract, do not apply to a person covered by the Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.).

SECTION 5. Amends Section 62.201, Labor Code, to delete Sections 62.055 and 62.056 in relation to a civil penalty for an employer who violates certain sections.

SECTION 6. Repealer: Sections 62.055 (Special Wage for Certain Employees) and 62.056 (Medical Certificate), Labor Code.

SECTION 7. Effective date: September 1, 2003.