

MINIMUM WAGE PROVISIONS

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Howard A. Stephenson

LONG TITLE

General Description:

This bill modifies the Utah Minimum Wage Act to prohibit certain actions by a county, city, or town.

Highlighted Provisions:

This bill:

~~§~~ → [→ ~~prohibits a county, city, or town when contracting from considering whether or not a person who pays that person's employees a wage that exceeds the federal minimum wage;~~] ← ~~§~~

▶ prohibits a county, city, or town when contracting ~~§~~ → for the direct purchase of goods and services ← ~~§~~ from giving a preference to a

person who pays that person's employees a wage that exceeds the federal minimum wage;

▶ clarifies language related to federally funded projects; ~~§~~ → [and]

▶ clarifies that the restrictions apply to any entity created by a city, town, or county; and ← ~~§~~

▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

34-40-106, as enacted by Chapter 248, Laws of Utah 2001



28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section **34-40-106** is amended to read:

30 **34-40-106. Limitations on minimum wage imposed by cities, towns, or counties.**

31 (1) A city, town, or county may not establish, mandate, or require a minimum wage
32 that exceeds the federal minimum wage as provided in 29 U.S.C. Sec. 201 et seq., Fair Labor
33 Standards Act of 1938.

34 (2) (a) A city, town, or county may not require that a person who contracts with the
35 city, town, or county pay that person's employees a wage that exceeds the federal minimum
36 wage as provided in 29 U.S.C. Sec. 201 et seq., Fair Labor Standards Act of 1938.

37 (b) Subsection (2)(a) does not apply when federal law requires the payment of a
38 [~~prevailing or minimum~~] specified wage to persons working on projects funded in whole or in
39 part by federal funds.

40 (c) Subsection (2)(a) applies to contracts executed on or after April 30, 2001.

41 (3) (a) If a city, town, or county contracts with a person ~~§~~ → **for the direct purchase of**
41a **goods or services** ←~~§~~ , in awarding or otherwise

42 executing that contract, the city, town, or county may not ~~§~~ → [:

43 —— (i) ~~consider whether or not the person who contracts with the city, town, or county pays~~
44 ~~that person's employees a wage that exceeds the minimum wage as provided in 29 U.S.C. 201~~
45 ~~et seq., Fair Labor Standards Act of 1938; or~~

46 —— (ii) ←~~§~~ give any preferential treatment to a person ~~§~~ → **on the basis** ←~~§~~ **that ~~§~~ → the**
46a **person** ←~~§~~ pays that person's employees a wage
47 that exceeds the minimum wage as provided in 29 U.S.C. 201 et seq., Fair Labor Standards Act
48 of 1938.

49 (b) This Subsection (3) does not apply when federal law requires the consideration of
50 whether a person pays the person's employees a specified wage to persons working on projects
51 funded in whole or in part by federal funds.

52 (c) This Subsection (3) applies to contracts executed on or after May 2, 2005.

52a **§** → **(4)(a) The restrictions of this section on a city, town, or county apply to any entity created**
52b **by the city, town, or county.**

52c (b) This Subsection (4) applies to contracts executed on or after May 2, 2005. ←~~§~~

Legislative Review Note

as of 1-24-05 2:43 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SB0139

Minimum Wage Provisions

28-Jan-05

9:51 AM

State Impact

Any costs can be absorbed within existing budget.

Individual and Business Impact

Any fiscal impact will be dependent on individual contracts.

Office of the Legislative Fiscal Analyst