

WAGE PROVISIONS

2005 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Howard A. Stephenson

House Sponsor: J. Stuart Adams

LONG TITLE

General Description:

This bill modifies provisions related to wages.

Highlighted Provisions:

This bill:

- ▶ 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;
- ▶ clarifies that the restrictions apply to any entity created by a city, town, or county;
- ▶ repeals a provision that addresses civil liability of a person for the wage obligations of another person with whom the person has contracted; 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

REPEALS:

34-28-8, as enacted by Chapter 85, Laws of Utah 1969

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

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

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

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

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

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

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

(3) (a) If a city, town, or county contracts with a person for the direct purchase of goods or services, in awarding or otherwise executing that contract, the city, town, or county may not give any preferential treatment to a person on the basis that the person pays that person's employees a wage that exceeds the minimum wage as provided in 29 U.S.C. 201 et seq., Fair Labor Standards Act of 1938.

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

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

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

(b) This Subsection (4) applies to contracts executed on or after May 2, 2005.

Section 2. **Repealer.**

This bill repeals:

Section **34-28-8, Subcontractors -- Compliance with act.**

