

1 **MINIMUM WAGE PROVISIONS**

2 2005 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Howard A. Stephenson**

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**LONG TITLE**

6 **General Description:**

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

9 **Highlighted Provisions:**

10 This bill:

- 11 ▶ prohibits a county, city, or town when contracting from considering whether or not a  
12 person who pays that person's employees a wage that exceeds the federal minimum  
13 wage;
  - 14 ▶ prohibits a county, city, or town when contracting from giving a preference to a  
15 person who pays that person's employees a wage that exceeds the federal minimum  
16 wage;
  - 17 ▶ clarifies language related to federally funded projects; and
  - 18 ▶ makes technical changes.
- 19

20 **Monies Appropriated in this Bill:**

21 None

22 **Other Special Clauses:**

23 None

24 **Utah Code Sections Affected:**

25 AMENDS:

26 **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, 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 that 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.

**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**

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**Fiscal Note**  
**Bill Number SB0139**

**Minimum Wage Provisions**

*28-Jan-05*

*9:51 AM*

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**State Impact**

Any costs can be absorbed within existing budget.

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**Individual and Business Impact**

Any fiscal impact will be dependent on individual contracts.

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**Office of the Legislative Fiscal Analyst**