

AMENDED IN ASSEMBLY JANUARY 7, 2002

AMENDED IN ASSEMBLY APRIL 18, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 181

Introduced by Assembly Member Koretz
(Coauthors: Assembly Members Aroner, Chan, Firebaugh,
Cedillo, Chan, Firebaugh, Goldberg, Vargas, and Washington)
(Coauthors: Senators Kuehl and Romero)

February 6, 2001

An act to add Section 1182.10 to the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 181, as amended, Koretz. Employment: minimum wage.

Existing law known as the Living Wage Act of 1996, an initiative that was added by Proposition 210 approved by the voters at the November 5, 1996, statewide general election, required establishment of a minimum wage for all industries of not less than \$5.75 per hour on and after March 1, 1998.

This bill, which would be known as the *Living Minimum Wage Protection Act*, would require ~~the Industrial Welfare Commission to establish the hourly minimum wage at not less than \$7.25 effective January 1, 2003, \$7.75 effective January 1, 2004, \$8.25 effective January 1, 2005, and \$8.75 effective January 1, 2006. Thereafter, the bill would require the commission to adjust the minimum wage annually, as specified to be adjusted on January 1, 2003, and annually thereafter,~~ to maintain employee purchasing power. *The adjusted*

minimum wage would be calculated from the federal Consumer Price Index, as specified. The bill would provide that its provisions shall not be construed to preclude an increase in the minimum wage greater than the formula would provide.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. This act shall be known and may be cited as the
2 ~~Living Wage Minimum Wage Protection Act.~~
3 SEC. 2. Section 1182.10 is added to the Labor Code, to read:
4 ~~1182.10. (a) Notwithstanding any other provision of this~~
5 ~~part, the minimum wage for all industries shall be as follows:~~
6 ~~(1) On and after January 1, 2003, the minimum wage shall be~~
7 ~~not less than seven dollars and twenty-five cents (\$7.25) per hour.~~
8 ~~(2) On and after January 1, 2004, the minimum wage shall be~~
9 ~~not less than seven dollars and seventy-five cents (\$7.75) per hour.~~
10 ~~(3) On and after January 1, 2005, the minimum wage shall be~~
11 ~~not less than eight dollars and twenty-five cents (\$8.25) per hour.~~
12 ~~(4) On and after January 1, 2006, the minimum wage shall be~~
13 ~~not less than eight dollars and seventy-five cents (\$8.75) per hour.~~
14 ~~(b) No later than September 30, 2006, and annually thereafter~~
15 ~~on or before September 30, the Industrial Welfare Commission~~
16 ~~shall adjust the minimum wage~~
17 *1182.10. (a) On January 1, 2003, and annually thereafter, the*
18 *minimum wage shall be adjusted to maintain employee purchasing*
19 *power by compensating for inflation occurring during the 12*
20 *calendar months preceding September 1 of the year prior to the*
21 *year in which the adjustment is made. The adjusted minimum*
22 *wage rate shall be calculated to the nearest five cents (\$0.05) using*
23 *the Consumer Price Index for urban wage earners and clerical*
24 *workers, as published by the United States Department of Labor,*
25 *or a successor index. Each adjusted minimum wage rate so*
26 *determined shall take effect on January 1 next following the*
27 *adjustment.*
28 ~~(c) The Industrial Welfare Commission shall, at a public~~
29 ~~meeting, adopt minimum wage orders consistent with this section~~
30 ~~without convening wage boards. These wage orders shall be final~~
31 ~~and conclusive for all purposes.~~



- 1 *(b) Nothing in this section shall be construed to preclude an*
- 2 *increase of the minimum wage in an amount greater than that*
- 3 *provided for by the formula specified in subdivision (a).*

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