

BILL ANALYSIS

H.B. 804
By: Geren
Economic Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, there is no provision preventing municipalities from establishing their own minimum wage. Although no cities in Texas have established their own minimum wage, recently there was a ballot initiative to raise the minimum wage in Houston to \$6.50. Differing minimum wages would present many problems for businesses, for instance a businesses in a city that has its own minimum wage would be at a competitive disadvantage when compared to those in cities that do not. HB 804 will ensure the uniform application of the federal minimum wage in private employment at the local level.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

HB 804 amends the Labor Code to repeal Sections 62.003(b)(7), 62.055 and 62.056, which state certain employees may be paid less than minimum wage.

HB 804 amends the Labor Code to add Section 62.0515, providing that the minimum wage established by Section 62.051 of this chapter supercedes a minimum established by a municipality. An exception is made for wages governed under a public contract and state or federal job training and workforce development programs.

EFFECTIVE DATE

September 1, 2003.