

By: Thompson

H.B. No. 3433

A BILL TO BE ENTITLED

AN ACT

relating to the minimum wage.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 62.051, Labor Code, is amended to read as follows:

Sec. 62.051. MINIMUM WAGE. (a) Except as otherwise provided by this section [~~Section 62.057~~], an employer shall pay to each employee not less than:

(1) \$6 an hour on or after January 1, 2006; and

(2) \$7 an hour on or after January 1, 2007.

(b) Notwithstanding Subsection (a), and except as provided by Subsection (c), an employer shall pay to each employee not less than the greater of:

(1) the minimum wage established under Subsection (a);

or

(2) the federal minimum wage under Section 6, Fair Labor Standards Act of 1938 (29 U.S.C. Section 206).

(c) Beginning with the calendar year beginning on January 1, 2008, and each calendar year thereafter, an employer shall pay to an employee not less than the minimum wage established under Subsection (d).

(d) On October 1, 2007, and each following October 1, the commission shall adjust the minimum wage established under Subsection (b) for inflation. The adjusted minimum wage rate shall

1 be computed to the nearest cent using the consumer price index for
2 urban wage earners and clerical workers (CPI-W), as computed by the
3 United States Department of Labor for the preceding 12 months, or an
4 analogous index adopted by the commission by rule. The commission
5 by rule shall:

6 (1) describe the process used in computing inflation
7 rates and the procedure for determining the level of inflation used
8 in the commission's computations; and

9 (2) based on the computations under Subdivision (1),
10 set the state minimum wage for the subsequent calendar year.

11 (e) This section does not apply to compensation paid to a
12 person under Section 62.057.

13 SECTION 2. Section 62.151, Labor Code, is repealed.

14 SECTION 3. This Act takes effect September 1, 2005.