

BILL ANALYSIS

C.S.H.B. 49
By: Chavez
Economic Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The last time the minimum wage was raised at the federal level was in 1997 to \$5.15 an hour. Adjusting for inflation, it is now at its lowest level in 50 years. A minimum wage earner working full-time all year will earn just \$10,700. This amount is below the poverty level. Nearly 60% of the U.S. Workforce is covered by a state minimum wage higher than the federal standard. C.S.H.B. 49 would increase the minimum wage in Texas over a two year period to \$7.25 an hour.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Amends Section 62.051, Labor Code, as follows:

- (a) Establishes that, except as otherwise provided by this section, an employer shall pay an employee at least \$6.25 an hour as of September 1, 2007 and at least \$7.25 an hour as of September 1, 2008.
- (b) States that, notwithstanding Subsection (a), an employer shall pay an employee at least the greater of the federal minimum wage under Section 6, Fair Labor Standards Act of 1938 (29 U.S.C. Section 206), or the minimum wage established under Subsection (a).

SECTION 2. States the effective date for this Act.

EFFECTIVE DATE

This Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute differs from the original bill because it is a Legislative Council draft that makes only technical revisions.