

By: Uresti, et al.

S.B. No. 1586

A BILL TO BE ENTITLED

AN ACT

relating to the minimum wage, including authorizing certain counties and municipalities to establish a 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 provided by Section 62.057, an employer shall pay to each employee not less than the greater of:

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

(2) if applicable, the greater of:

(A) the minimum wage adopted under Subsection (b) by the municipality in which the employee performs services for the employer; or

(B) the minimum wage adopted under Subsection (b) by the county in which the employee performs services for the employer.

(b) A municipality with a population of more than 100,000 or a county with a population of more than 100,000 may adopt a minimum wage to be paid by an employer to each employee for services performed in the municipality or county.

(c) The minimum wage adopted under Subsection (b) may not exceed 135 percent of the federal minimum wage in effect two years

1 before the date the municipality's or county's minimum wage is to
2 take effect.

3 (d) Subject to Subsection (c), an increase in the minimum
4 wage adopted under Subsection (b) may not be more than eight percent
5 of the municipality's or county's current minimum wage.

6 (e) An increase in the minimum wage adopted under Subsection
7 (b) may not take effect earlier than the first anniversary of the
8 date the most recent increased minimum wage takes effect.

9 (f) An employer that employs fewer than 10 employees is
10 exempt from a minimum wage requirement adopted under Subsection
11 (b).

12 SECTION 2. Section 62.0515, Labor Code, is amended to read
13 as follows:

14 Sec. 62.0515. [~~APPLICATION OF MINIMUM WAGE TO CERTAIN~~
15 ~~GOVERNMENTAL ENTITIES,~~] CERTAIN AGREEMENTS WITH GOVERNMENTAL
16 ENTITIES. (a) [~~Except as otherwise provided by this section, the~~
17 ~~minimum wage provided by this chapter supersedes a wage established~~
18 ~~in an ordinance, order, or charter provision governing wages in~~
19 ~~private employment, other than wages under a public contract.~~

20 [~~(b) This section does not apply to any state or federal job~~
21 ~~training or workforce development program.~~

22 [~~(c) This section does not apply to a minimum wage~~
23 ~~established by a governmental entity that applies to a contract or~~
24 ~~agreement, including a non-annexation agreement, entered into by a~~
25 ~~governmental entity and a private entity.] A private entity that
26 enters into a contract or agreement, including a non-annexation
27 agreement, with a governmental entity, under the terms of which the~~

1 private entity agrees to comply with a minimum wage that is greater
2 than the minimum wage established by Section 62.051 [~~the~~
3 ~~governmental entity~~], is subject to the terms of that contract or
4 agreement, and those terms apply to and may be enforced against a
5 general contractor, subcontractor, developer, and other person
6 with which the private entity contracts in order to comply with the
7 provisions of the original contract or agreement.

8 (b) [~~(a)~~] For purposes of this section, "governmental
9 entity" includes a municipality, a county, a special district or
10 authority, a junior college district, or another political
11 subdivision of this state.

12 SECTION 3. Section 62.151, Labor Code, is repealed.

13 SECTION 4. This Act takes effect September 1, 2017.