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## DIGEST

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Dixon

HB No. 1188

**Abstract:** Requires state contractors and subcontractors to agree to pay workers in the performance of the contract or subcontract a minimum wage of \$10.10 per hour.

Proposed law is similar to the presidential executive order issued by President Obama on February 12, 2014, which requires that employers who are contractors or subcontractors with the federal government shall pay their employees a wage of \$10.10 per hour beginning Jan. 1, 2015.

Proposed law requires the commissioner of administration and all state agencies to ensure that beginning Jan. 1, new contracts, contract-like instruments, and solicitations include a clause, specifying, as a condition of payment, a minimum wage of \$10.10 per hour to be paid to workers in the performance of the contract or any subcontract thereunder. The contractor and any subcontractors shall incorporate into lower-tier subcontracts. Proposed law provides that beginning January 1, 2016, the rate shall be the same as the minimum wage for federal contractors and subcontractors determined by the US Secretary of Labor.

Proposed law sets the minimum wage for contracted tipped employees at \$4.90 per hour beginning on January 1, 2015. Provides for an increase in succeeding years based on the minimum wage for other employees. Requires the minimum wage for contracted tipped employees to be increased if the wage plus tips fall below the minimum wage such that the wages of the tipped employee equal the minimum wage.

Proposed law requires the commissioner of administration to issue regulations by October 1, 2014, consistent with the requirements of the Administrative Procedure Act, to implement the requirements of proposed law. Requires agencies to take steps within 60 days of the regulations to exercise authority to ensure contracts entered into on or after January 1, 2015, comply with proposed law.

Proposed law shall be implemented consistent with applicable law and subject to the availability of appropriations.

Proposed law shall apply only to a new contract or contract-like instrument if it is a procurement contract under the La. Procurement Code or it is for personal, professional, consulting, or social services under Chapter 16 of Title 39.

Proposed law shall not apply to grants, contracts, and agreements expressly excluded by the regulations issued pursuant to the federal executive order.

Proposed law authorizes political subdivisions to adopt all or any part of proposed law and its accompanying regulations.

Proposed law applies to covered contracts where the solicitation for such contract has been issued on or after January 1, 2015. The order shall not apply to contracts or contract-like instruments entered into pursuant to solicitations issued on or before the effective date for the relevant action taken pursuant to proposed law.

Proposed law encourages agencies to take all reasonable and permissible steps to ensure workers are paid an hourly wage of at least \$10.10 per hour in all new contracts and contract-like instruments negotiated between August 1, 2014, and the effective dates set forth in proposed law,

(Adds R.S. 39:2211-2218)