

1 HB697
2 165075-1
3 By Representatives Bracy, Grimsley and Alexander
4 RFD: State Government
5 First Read: 26-MAY-15

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8 SYNOPSIS: Under existing law, the minimum wage
9 required to be paid for persons doing work on, for
10 or on behalf of this state, county, municipality,
11 or any agency thereof, is established by the United
12 States government.

13 This bill would establish a minimum wage for
14 persons doing work for, or on behalf of, the state,
15 a county, a municipality, or any agency thereof.
16 The bill would provide for the adjustment of wages.
17 The bill would provide that the minimum wage
18 requirement would be applicable to all contracts in
19 excess of a certain amount.

20 Amendment 621 of the Constitution of Alabama
21 of 1901 prohibits a general law whose purpose or
22 effect would be to require a new or increased
23 expenditure of local funds from becoming effective
24 with regard to a local governmental entity without
25 enactment by a 2/3 vote unless: it comes within one
26 of a number of specified exceptions; it is approved
27 by the affected entity; or the Legislature

1 appropriates funds, or provides a local source of
2 revenue, to the entity for the purpose.

3 The purpose or effect of this bill would be
4 to require a new or increased expenditure of local
5 funds within the meaning of Amendment 621. If this
6 bill is not enacted by a 2/3 vote, it will not
7 become effective with regard to a local entity
8 unless approved by the local entity or until, and
9 only as long as, the Legislature appropriates funds
10 or provides for a local source of revenue.

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12 A BILL
13 TO BE ENTITLED
14 AN ACT

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16 To establish a minimum wage for persons doing work
17 on, for or on behalf of the state, county, municipality, or
18 any agency thereof pursuant to service or labor contract; to
19 provide for the adjustment of the wages; to provide that the
20 minimum wage requirement is applicable to all contracts in
21 excess of a certain amount; and in connection therewith would
22 have as its purpose or effect the requirement of a new or
23 increased expenditure of local funds within the meaning of
24 Amendment 621 of the Constitution of Alabama of 1901.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. The Legislature finds and declares that
27 it is the policy of this state that all persons doing work on,

1 for or on behalf of the state, a county, a municipality, or
2 any agency thereof, should be paid a minimum living wage.

3 Section 2. (a) The minimum compensation paid to
4 employees by employers who have been awarded a service or
5 labor contract for or on behalf of the state, or a county or
6 municipality, or any agency of the state or a county or
7 municipality, in excess of twenty thousand dollars (\$20,000)
8 shall be as follows:

9 (1) If health insurance benefits consisting of
10 payment of at least one dollar and twenty-five cents (\$1.25)
11 per hour toward the premium for the provision of health
12 insurance for employees are provided, a wage of not less than
13 nine dollars and fifty cents (\$9.50) per hour. Proof of the
14 provision of the benefit shall be submitted to the appropriate
15 governing authority within 10 days after execution of the
16 contract or receipt of the financial assistance of the
17 governing authority to qualify for employees with health
18 benefits.

19 (2) If health insurance benefits are not provided, a
20 wage of not less than ten dollars and seventy-five cents
21 (\$10.75) per hour.

22 (b) These initial minimum rates shall be reviewed no
23 later than February 10 of each year by the Alabama Department
24 of Labor to determine if any adjustment should be made based
25 on any change as of September 30 of the previous year in the
26 federal poverty level standard in determining the initial wage
27 adjustment. If the standard has changed, the minimum wages

1 shall be recalibrated using the original methodology with the
2 new values. If the standard has not changed, the Consumer
3 Price Index for Urban Consumers in this state shall be
4 reviewed. If the Consumer Price Index for Urban Consumers has
5 increased by one percent or more, the minimum wage shall be
6 adjusted by the same percentage change in the Consumer Price
7 Index but it shall not exceed three percent.

8 (c) If the contract is subject to a prevailing wage
9 requirement, the higher of the two wages shall apply.

10 Section 3. The requirements of this act shall apply
11 only to the contracts specified in this act and shall not
12 apply to any state, county, or municipal contract entered into
13 prior to the effective date of this act.

14 Section 4. This act shall become effective on the
15 first day of the third month following its passage and
16 approval by the Governor, or its otherwise becoming law.