



2005 ASSEMBLY BILL 537

July 7, 2005 - Introduced by Representatives ZEPNICK, SHERIDAN, SINICKI, BERCEAU, BLACK, TURNER, YOUNG, PARISI, LEHMAN, POPE-ROBERTS, GRIGSBY, TRAVIS, SHILLING, KREUSER, SEIDEL and POCAN, cosponsored by Senators CARPENTER, LASSA, ROBSON, RISSER, ERPENBACH and HANSEN. Referred to Committee on Labor.

1 **AN ACT** *to renumber* 104.01 (1); *to renumber and amend* 104.04; and *to*
2 *create* 104.01 (1g) and 104.04 (2) of the statutes; **relating to:** indexing the
3 living wage to the change in the consumer price index, providing an exemption
4 from emergency rule procedures, providing an exemption from rule-making
5 procedures, and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Currently, the state minimum wage law requires that employers pay a living wage to their employees. Under that law, the Department of Workforce Development (DWD) has provided, by rule, minimum wages for various types of employees, including employees generally; opportunity employees, which are defined as employees under 20 years of age in their first 90 days of employment with a particular employer; tipped employees; agricultural employees; camp counselors; and golf caddies.

This bill requires DWD, by June 1 of each year, to promulgate rules revising the minimum wages provided by DWD by determining the percentage difference between the consumer price index for the preceding year and the consumer price index for the current year, adjusting the minimum wages and allowances in effect on May 31 of the current year by that percentage difference, and rounding that result to the nearest multiple of five cents.

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 104.01 (1) of the statutes is renumbered 104.01 (1m).

2 **SECTION 2.** 104.01 (1g) of the statutes is created to read:

3 104.01 (1g) “Consumer price index” means the average of the consumer price
4 index over each 12-month period, all items, U.S. city average, as determined by the
5 bureau of labor statistics of the U.S. department of labor.

6 **SECTION 3.** 104.04 of the statutes, as affected by 2005 Wisconsin Act 12, is
7 renumbered 104.04 (1) and amended to read:

8 104.04 (1) The Subject to sub. (2), the department shall investigate, ascertain,
9 determine, and fix such reasonable classifications, and shall impose general or
10 special orders, determining the living wage, and shall carry out the purposes of this
11 chapter. Such investigations, classifications, and orders shall be made as provided
12 under s. 103.005, and the penalties specified in s. 103.005 (12) shall apply to and be
13 imposed for any violation of this chapter. In determining the living wage, the
14 department may consider the effect that an increase in the living wage might have
15 on the economy of the state, including the effect of a living wage increase on job
16 creation, retention, and expansion, on the availability of entry-level jobs, and on
17 regional economic conditions within the state. The department may not establish a
18 different minimum wage for men and women. Said orders shall be subject to review
19 in the manner provided in ch. 227.

20 **SECTION 4.** 104.04 (2) of the statutes is created to read:

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1 104.04 (2) (a) Subject to par. (b), by June 1 of each year, the department, using
2 the procedures under s. 227.24, shall promulgate rules to revise the living wage
3 determined under sub. (1). The department shall determine the revised living wage
4 by calculating the percentage difference between the consumer price index for the
5 12-month period ending on the last day of February of the preceding year and the
6 consumer price index for the 12-month period ending on the last day of February of
7 the current year, adjusting the living wage in effect on May 31 of the current year by
8 that percentage difference, and rounding that result to the nearest multiple of 5
9 cents. Notwithstanding s. 227.24 (1) (a), (2) (b), and (3), the department may
10 promulgate an emergency rule under s. 227.24 revising the living wage determined
11 under sub. (1) without providing evidence that the emergency rule is necessary to
12 preserve the public peace, health, safety, or welfare and without a finding of
13 emergency. A revised living wage determined under this paragraph shall first apply
14 to wages earned on June 1 of the year in which the living wage is revised.

15 (b) Paragraph (a) does not preclude the department from promulgating rules
16 to increase the living wage as provided in s. 104.06.

17 **(END)**