Model Legislation

Starting (Minimum) Wage Repeal Act

Summary

The Starting (Minimum) Wage Repeal Act repeals all starting (minimum) wage laws and preempts localities from enacting further laws that would attempt to establish a starting wage.

Model Legislation

Section 1. {Short Title.} This Act shall be known as the Starting (Minimum) Wage Repeal Act.

Section 2. {Legislative Declarations.} This legislature finds and declares that:

(A) Starting wage laws represent an unfunded mandate on business by the government, and disproportionately make it difficult for small business -- the engine of job creation -- to hire new employees due to artificially high wage rates.

(B) A majority of starting wage workers are secondary workers in moderate or middle income families, or primary workers in families with other significant sources of income.

(C) Over three-fourths of all economists agree that starting wage laws lead to a reduction in job opportunities.

(D) Even the Association of Community Organizations for Reform (ACORN), one of the prime supporters to raise the starting wage, has recognized that starting wages have a negative affect on employment opportunities, as evidenced by its lawsuit against the State of California which alleges the state's starting wage is unconstitutional because it limits the number of activists the organization is able to employ.

(E) Less than 5 percent of the workforce is employed at the starting wage.

(F) Many people statistically categorized as starting wage earners, actually make much more than the starting wage when tips are taken into consideration -- in fact, 63 percent of all restaurant employees who earn minimum wage also earn tips.

(G) The forces of supply and demand are more capable than the government in determining wage levels, taking into consideration regional differences, such as the cost of living and available workforce.

(H) Starting wage laws make it more difficult for employers to bring teenagers, entry-level workers, and others who need job experience, into the workforce, where they can gain skills, training and confidence.

(I) Starting wage laws are a matter of statewide concern, thus, units of local government shall not enact any laws with respect to minimum wages.

Section 3. {Definitions.}

Section 4. {Repeal of State Law.} Any and all starting (minimum) wage laws are repealed.

Section 5. {Repeal and Preemption of Local Law.} Any and all starting (minimum) wage laws are repealed.

Section 6. {Severability Clause.}

Section 7. {Repealer Clause.}

Section 8. {Effective Date.}

1996 Sourcebook of American State Legislation
Center for Media and Democracy's quick summary

This bill calls for a repeal of minimum wage laws. Note that it re-brands minimum wage laws as "starting wage" laws, under the theory that employees that start at low wages can move up the economic ladder with time and experience. The law would take away the ability of states and localities to establish wage floors, boosting corporate balance sheets, but leaving low-wage workers with lower pay. The justifications for the bill are riddled with inaccuracies and misinformation.