LABOR AND INDUSTRIAL RELATIONS

*Minimum Wages: Increase Hourly Amount; Provide for Exceptions; Provide for Related Matters*

**CODE SECTION:** O.C.G.A. § 34-4-3 (amended)

**BILL NUMBER:** SB 14

**ACT NUMBER:** 32

**GEORGIA LAWS:** 2001 Ga. Laws 201

**SUMMARY:** The Act, called the "Georgia Minimum Wage Law," increases the minimum wage paid by employers to all covered employees. The increase from $3.25 per hour to $5.15 per hour brings the state minimum wage in line with the current federal minimum wage. The Act also adds an exemption for any individual who is employed by a nonprofit child-care institution or long-term care facility serving children or mentally disabled adults who are enrolled in such institutions and reside in residential facilities of the institution, if such employee resides in such facilities, receives without cost board and lodging from such institution, and is compensated on a cash basis at an annual rate of not less than $10,000. An additional exception provides that the law does not apply to employers who are subject to a minimum wage enacted by Congress if that minimum wage is higher than the wage stated in O.C.G.A. § 34-4-3.

**EFFECTIVE DATE:** July 1, 2001

**History**

At the time SB 14 was proposed, Georgia's minimum wage was the third lowest of all states with a minimum wage.¹ At $3.25 per hour, the

Georgia wage was also $1.90 less than the federal minimum wage. Although most workers in the state are covered by the federal minimum wage, workers not involved in interstate commerce are excluded from coverage. It was concern for the approximately 63,000 Georgia workers not covered by the federal minimum wage that gave rise to SB 14. Supporters of the bill also pointed to the fact that the minimum wage law had only been amended once since its enactment in 1970, and the current wage left affected Georgians with an annual income below the national and state poverty levels.

Sponsors of the bill conceded that SB 14 was in some ways symbolic in that it would not affect a large number of individuals, but would send a message of hope to the working poor, reflecting Georgia’s integrity to the rest of the country. In effect, the bill would demonstrate that Georgia cares about its workers. Those in support of the bill felt strongly that the bill was justified even if it would help just one person in the state.

**SB 14**

**Introduction**

Senators Charles Walker, Horacena Tate, Terrell Starr, Nathan Dean, Donzella James and Mike Polak of the 22nd, 38th, 44th, 31st, 35th and 42nd Districts, respectively, sponsored SB 14. The bill was introduced

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3. See id. § 206(a).
on the Senate floor on January 9, 2001.\textsuperscript{11} Two Senate floor amendments passed on January 31, 2001.\textsuperscript{12} The bill was referred to the Senate Labor and Insurance Committee, which favorably reported the bill, with changes, on February 15, 2001.\textsuperscript{13} The Senate then adopted the Committee substitute and passed the bill on February 20, 2001.\textsuperscript{14} The bill was first introduced on the House floor on February 20, 2001.\textsuperscript{15} The House Industrial Relations Committee favorably reported the bill, without changes, on March 13, 2001.\textsuperscript{16} The Senate sent SB 14 to the Governor on April 4, 2001.\textsuperscript{17} Governor Roy Barnes signed the bill into law on April 13, 2001.\textsuperscript{18}

\textit{Consideration in the Senate}

On the Senate floor, two amendments were proposed and passed on January 31, 2001.\textsuperscript{19} The result of these amendments was to strike lines fifteen through twenty-two of the bill as originally proposed which would have required an automatic increase in the state minimum wage in accordance with any federal minimum wage increase, and to reinstate in the law that language exempting the following individuals from the minimum wage law: 1) employers with sales equal to or less than $40,000 per year 2) employers with five or fewer employees 3) employers of domestic employees 4) employees who are high school or college students and 5) individuals employed as newspaper carriers.\textsuperscript{20}

Senator Don Balfour of the 9th District introduced a floor substitute on January 31, 2001.\textsuperscript{21} The substitute proposed repealing the minimum wage law in its entirety.\textsuperscript{22} The floor substitute passed in the Senate and per Senate Rule 143, was required to layover for a day before being automatically submitted for reconsideration on February 1, 2001.\textsuperscript{23} The
floor substitute failed the second vote on February 1, 2001.\textsuperscript{24} The bill as amended also failed to achieve a constitutional majority that day.\textsuperscript{25} The author of the bill made a motion to reconsider the bill and the bill was placed on the calendar for the next day.\textsuperscript{26}

On February 2, 2001, the motion to reconsider failed the first vote\textsuperscript{27} but a second motion to reconsider passed and the bill was again placed on the Senate general calendar.\textsuperscript{28} The bill was favorably reported out of the Senate Labor and Insurance Committee on February 15, 2001, with changes.\textsuperscript{29}

The Committee substituted language within SB 14 exempting from the minimum wage law certain individuals who are employed by nonprofit child-care institutions or long-term care facilities serving children or mentally disabled adults who are enrolled in such institutions and reside in residential facilities of the institution.\textsuperscript{30} This amendment was proposed because many of those workers are employed on an on-call basis twenty-four hours per day.\textsuperscript{31} If those employees were not exempted, the facilities would have had to pay minimum wage plus overtime for all twenty-four hours, and that would have a negative economic impact on those institutions.\textsuperscript{32} In particular, supporters of the amendment suggested these institutions would be forced to reduce or eliminate such jobs as being cost-prohibitive.\textsuperscript{33} In this way, the bill was intended to create a "safety net" for those and other workers.\textsuperscript{34}
The Committee favorably reported the bill, as substituted, on February 15, 2001. The Senate adopted the Committee substitute and passed the bill, as substituted, on February 20, 2001.

Consideration in the House

The bill was first read on the House floor on February 20, 2001. The House Industrial Relations Committee favorably reported the bill, without changes, and the House adopted and passed the bill without changes on March 13, 2001.

The bill was sent to the Governor for approval on April 4, 2001, and was signed into law on April 13, 2001.

The Act

Section 1 of the Act provides the short title, "Georgia Minimum Wage Law." The Act amends Code section 34-4-3 to provide for an increase in the minimum wage and to provide for exceptions. Specifically, Code section 34-4-3(1)(a) was amended to increase the minimum wage for covered employees from $3.25 to $5.15 per hour for each hour worked. Code subsections 34-4-3(1)(b)(6) and (7), which describe certain exceptions to the law, were added and eliminated the word "or" following each of those exceptions. A new Code section 34-4-3(1)(b)(8) was added to exempt

any individual who is employed by a nonprofit child-caring institution or long-term care facility serving children or mentally disabled adults who are enrolled in such institution and reside in residential facilities of the institution, if such employee resides in such facilities, receives without

36. See Georgia Senate Voting Record, SB 14 (Feb. 20, 2001).
40. See id.
41. O.C.G.A. § 34-4-3 (Supp. 2001).
cost board and lodging from such institution, and is compensated on a cash basis at an annual rate of not less than $10,000.45

An additional section of the Act provides that the law does not apply to employers who are subject to a minimum wage enacted by Congress if that minimum wage is higher than the wage stated in Code section 34-4-3.46

**Opposition to SB 14**

Those opposing SB 14 pointed to the fact that many southern states have no minimum wage.47 Others insisted that the bill was unnecessary because it would affect an insignificant number of people, and might actually have the unintended effect of decreasing the number of jobs available to the working poor.48 Ultimately though, the spirit that this was simply “the right thing to do” carried the vote and the bill passed both houses.49

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