

March 14, 2006

Washington, D.C. Living Wage Proposed Legislation

On March 7, 2006, the District of Columbia Council approved a bill entitled the “Way to Work Amendment Act of 2006,” which, if it becomes law, will establish a new minimum “living-wage” of \$11.75 per hour for certain employees working in the District. The bill passed the Council by a vote of 12 to 0, with only Councilmember Schwartz voting “present.”

If passed into law, the bill’s new minimum wage will be applicable to any employer who has a contract with, or receives government assistance from, the District government in the amount of \$100,000 or more; and to any employer who is a sub-contractor of such an employer, if the subcontractor is paid \$15,000 or more from a D.C. government contract, or paid \$50,000 or more from an employer receiving government assistance. The bill approved by the Council has several exceptions, including exempting employers who have previously negotiated collective bargaining agreements in which the parties agreed to lower wages, and non-profit organizations with 50 or fewer employees. Mayor Anthony Williams has hailed passage of this bill by the D.C. Council.

With the Council’s passage of the bill and the Mayor’s comments, the District appears poised to become the latest in a series of localities to adopt “living wage” laws. In many cities, “living wage” campaigns have been mounted by organized labor in collaboration with other social interest groups. However, despite the fact that the D.C. Council has passed the living wage law—and Mayor Williams’ approval seems certain—the law, like all District legislation, must be approved by Congress before it can take effect. Congress has “30 legislative days” to consider the D.C. living wage bill after Mayor Williams signs the legislation. If Congress does not disapprove of the bill within the “30 legislative days,” it becomes law. Although Congress has refused to approve certain acts by the D.C. Council in the past, with this year’s mid-term elections looming and national issues taking center stage, to date, no member of Congress has gone on the record either for or against the District’s living wage bill.

If Congress allows the “living wage” act to become law, it may have a significant effect on many of the District’s employers, especially its many nonprofit organizations. Budgets or workforces may need to be readjusted to accommodate the increased labor costs and, in the case of non-profits, already limited resources may need to be stretched even further.

Seyfarth Shaw is continuing to monitor the status of the District’s “living wage” bill as it leaves the Council, goes to the Mayor’s desk for signature, and enters the Congressional review period. We will provide updates on the status of the legislation and its effect on District employers as there are developments.

If you have any questions concerning the living wage bill, please contact the Seyfarth Shaw LLP attorney with whom you work or any labor and employment attorney on the website at www.seyfarth.com.



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