



Fact Sheet

MINIMUM WAGE IN NEVADA

PREPARED BY KRISTIN ROSSITER AND JERED McDONALD
RESEARCH DIVISION
LEGISLATIVE COUNSEL BUREAU

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ESTABLISHMENT AND AUTHORITY

The *Nevada Constitution* establishes a minimum wage for the State of Nevada in Article 15, Section 16(A). The provisions require the minimum wage to be adjusted based on certain factors. *Nevada Revised Statutes* 608.250 establishes the Office of Labor Commissioner as the agency designated by the Governor to make the minimum wage calculation each year and publish the bulletin announcing the rates.

The federal Fair Labor Standards Act (FLSA) requires employers to pay nonexempt employees at least a minimum wage for all hours they work. The FLSA establishes a minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers in the private sector and in federal, state, and local governments. At the time the FLSA was enacted in 1938, the minimum wage was set at 25 cents per hour. The FLSA does not supersede any state or local laws that are more favorable to employees. Therefore, if a state has a minimum wage that is higher than the federal minimum, employers are obligated to pay the higher rate to employees working in that state.

CURRENT MINIMUM WAGE

The federal minimum wage is currently \$7.25 and was put into effect in 2009. The federal minimum wage does not increase automatically. The United States Congress must pass a bill, which the President signs into law, in order for the minimum wage to go up. Effective July 1, 2014, Nevada's minimum wage for employees who received qualified health benefits from their employers is \$7.25 per hour, and the minimum wage for employees who do not receive health benefits is \$8.25 per hour.

BACKGROUND AND HISTORY

Nevada enacted a statewide minimum wage law in 1937, a year before the federal minimum wage was set. The 1937 legislation regulated the wage, hours, and working conditions only of females employed in private industry. In 1965, the law was amended to add males and minors in private employment to the minimum wage provisions. In 1989, Nevada's minimum wage law was amended to require the Labor Commissioner to prescribe increases in the minimum wage in accordance with those prescribed by federal law.

An amendment to the *Constitution* to raise the minimum wage paid to employees in Nevada was approved by Nevada voters in 2004 and was reaffirmed in 2006. The 2006 voter approved

Minimum Wage Amendment to the *Constitution* requires the minimum wage to be reviewed each year; however, the rate does not necessarily change every year. The rates are adjusted by the amount of increases in the federal minimum wage over \$5.15 per hour or, if greater, by the cumulative increase in the cost of living. The cost of living increase is measured by the percentage increase as of December 31 in any year over the level as of December 31, 2004, in the Consumer Price Index (CPI) for All Urban Consumers, U.S. City Average, as published by the Bureau of Labor Statistics. No CPI adjustment for any one-year period may be greater than 3 percent. Any increases take effect on July 1 of each year.

PROCESS FOR AMENDMENT

Because provisions governing the minimum wage rate are included in the *Constitution*, any changes to the minimum wage provisions require a constitutional amendment. There are two ways to amend the *Constitution*. One way is through the citizen initiative process. Citizen initiatives for constitutional amendments must be approved in identical form in two consecutive general elections. This is the process that enacted the current minimum wage requirements in the *Constitution*. The second way to amend the *Constitution* is through the legislative process. The Senate or Assembly may propose a constitutional amendment, which must pass in identical form with a majority of members of both houses in two consecutive biennial sessions. After that, the proposal must pass a popular vote during the next general election.

COMPARISON WITH OTHER STATES

The following table provides a comparison of Nevada’s recent minimum wages with those of other western states. Across the nation, nine states had increased their minimum wage rates on January 1, 2015, because of indexed increases in their state laws.

Comparison of Minimum Wages Across Select Western States						
	2009	2010	2011	2012	2013	2014
California	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$9.00
Idaho	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25
Nevada (No Insurance)	\$6.85	\$7.55	\$8.25	\$8.25	\$8.25	\$8.25
Nevada (Health Insurance)	\$6.55	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Oregon	\$8.40	\$8.40	\$8.50	\$8.80	\$8.95	\$9.10
Utah	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25
Washington	\$8.55	\$8.55	\$8.67	\$9.04	\$9.19	\$9.32

RESOURCES FOR ADDITIONAL INFORMATION

- Detailed information on the minimum wage can be found at: <http://www.dol.gov/dol/topic/wages/minimumwage.htm>.
- For a history of the increases in minimum wage by year since 1938, see: <http://www.dol.gov/whd/minwage/chart.pdf>.