

109TH CONGRESS
2D SESSION

H. R. 5998

To provide for livable wages for Federal Government workers and workers hired under Federal contracts.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2006

Mr. GUTIERREZ (for himself, Mr. HASTINGS of Florida, Mr. NADLER, Mr. CUMMINGS, Ms. CORRINE BROWN of Florida, Mr. STRICKLAND, Mr. SANDERS, Mr. OWENS, Mr. THOMPSON of Mississippi, Mr. CAPUANO, Mr. MCGOVERN, Mr. MCNULTY, Ms. WATERS, Ms. SCHAKOWSKY, Mr. EVANS, Mr. FATTAH, Mr. HINCHEY, Ms. BALDWIN, Mr. LANTOS, Mr. JACKSON of Illinois, and Mr. TIERNEY) introduced the following bill; which was referred to the Committee on Government Reform, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for livable wages for Federal Government workers and workers hired under Federal contracts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Living Wage
5 Responsibility Act”.

1 **SEC. 2. POVERTY-LEVEL WAGE.**

2 (a) GENERAL RULE.—Notwithstanding any other
3 law that does not specifically exempt itself from this Act
4 and except as provided in subsection (b), the Federal Gov-
5 ernment and any employer under a Federal contract for
6 an amount exceeding \$10,000 (or a subcontract under
7 such a contract) shall pay to each of their respective work-
8 ers—

9 (1) an hourly wage (or salary equivalent) suffi-
10 cient for a worker to earn, while working 40 hours
11 a week on a full-time basis, not less than the
12 amount of the Federal poverty level for a family of
13 four (as published in the Federal Register by the
14 Department of Health and Human Services under
15 the authority of section 673(2) of the Community
16 Services Block Grant Act (42 U.S.C. 9902(2))); and

17 (2) an additional amount, determined by the
18 Secretary based on the locality in which a worker re-
19 sides, sufficient to cover the costs to such worker to
20 obtain any fringe benefits not provided by the work-
21 er's employer.

22 (b) EXEMPTIONS.—Subsection (a) does not apply to
23 the following:

24 (1) A small-business concern (as that term is
25 used in section 3 of the Small Business Act (15
26 U.S.C. 632)).

1 (2) A nonprofit organization exempt from Fed-
2 eral income tax under section 501(c) of the Internal
3 Revenue Code of 1986 (26 U.S.C. 501(c)), if the
4 ratio of the total wages of the chief executive officer
5 of such organization to the wages of the full-time
6 equivalent of the lowest paid worker is not greater
7 than 25 to 1.

8 (c) RETALIATION PROHIBITED.—It shall be unlawful
9 for any employer subject to subsection (a) to terminate
10 or suspend the employment of a worker on the basis of
11 such worker’s allegation of a violation of subsection (a).

12 (d) CONTRACT REQUIREMENT.—Any contract sub-
13 ject to subsection (a) shall contain a provision requiring
14 the Federal contractor to ensure that any worker hired
15 under such contract (or a subcontract thereof) shall be
16 paid in accordance with subsection (a).

17 **SEC. 3. ENFORCEMENT BY SECRETARY.**

18 (a) IN GENERAL.—If the Secretary determines (in a
19 written finding setting forth a detailed explanation of such
20 determination), after notice and an opportunity for a hear-
21 ing on the record, that a Federal contractor (or any sub-
22 contractor thereof) subject to section 2 has engaged in a
23 pattern or practice of violations of section 2, the following
24 shall apply to such Federal contractor:

1 (1) CONTRACT CANCELLATION.—After final ad-
2 judication of a pattern or practice of violations, the
3 United States may cancel any contract (or the re-
4 mainder thereof) with the Federal contractor that is
5 a part of the pattern or practice of violations.

6 (2) RESTITUTION.—A Federal contractor whose
7 contract is canceled under paragraph (1) shall be
8 liable to the United States in an amount equal to
9 the costs to the Government in obtaining a replace-
10 ment contractor to cover the remainder of any con-
11 tract canceled under paragraph (1).

12 (3) CONTRACT INELIGIBILITY.—After final ad-
13 judication of a pattern or practice of violations, the
14 Federal contractor shall be ineligible to enter into,
15 extend, or renew a contract with the United States
16 for a period of five years after the date of such adju-
17 dication.

18 (4) PUBLICATION.—Not later than 90 days
19 after final adjudication of a pattern or practice of
20 violations, the Secretary shall publish in the Federal
21 Register a notice describing the ineligibility of the
22 Federal contractor under paragraph (3).

23 (b) SAFE HARBOR.—Subsection (a) shall not apply
24 if—

1 (1) the Federal contractor has entered into a
2 consent agreement with the Secretary with regard to
3 a pattern or practice of violations of section 2 and
4 has paid to any aggrieved workers all wages due
5 them, to the satisfaction of the Secretary; or

6 (2) the Secretary determines, after consultation
7 with the affected Government entity, that cancella-
8 tion or debarment under subsection (a) would not be
9 in the best interests of the Nation or of such Gov-
10 ernment entity.

11 (c) JUDICIAL REVIEW.—Any Federal contractor ag-
12 grieved by an adverse determination of the Secretary
13 under subsection (a) may seek review of such determina-
14 tion in an appropriate court.

15 **SEC. 4. EMERGENCIES.**

16 The President may suspend the provisions of this Act
17 in times of emergency.

18 **SEC. 5. PRIVATE RIGHT OF ACTION.**

19 (a) ACTION.—A worker aggrieved by a violation of
20 section 2 may, in a civil action, recover appropriate relief.
21 A civil action under this section shall be filed not later
22 than 2 years after the commission of such violation. A civil
23 action may not be brought under this section if an em-
24 ployer subject to section 2 has paid or reinstated the work-

1 er as a result of an administrative action under section
2 3.

3 (b) RELIEF.—In this section, the term “appropriate
4 relief” means—

5 (1) injunction of a violation of section 2;

6 (2) actual damages or, if the court finds that
7 the employer willfully violated section 2, three times
8 actual damages;

9 (3) reasonable attorney fees and the costs of
10 the action; and

11 (4) any other relief the court deems appropriate
12 in the circumstances of the case.

13 **SEC. 6. RULEMAKING.**

14 The Secretary shall make rules to carry out this Act,
15 which shall take effect not later than 120 days after the
16 date of enactment of this Act.

17 **SEC. 7. DEFINITIONS.**

18 In this Act:

19 (1) The term “employer” means a person who
20 has economic power to set a worker’s terms and con-
21 ditions of employment, regardless of the formality of
22 an employment relationship.

23 (2) The term “fringe benefits” means—

24 (A) medical or hospital care or contribu-
25 tions to a health insurance plan;

1 (B) contributions to a retirement plan;

2 (C) life insurance;

3 (D) disability insurance; and

4 (E) vacation and holiday pay.

5 (3) The term “Secretary” means the Secretary
6 of Labor.

○