

H.552

An act relating to raising the Vermont minimum wage

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 21 V.S.A. § 384 is amended to read:

§ 384. EMPLOYMENT; WAGES

(a) An employer shall not employ ~~an~~ any employee at a rate of less than ~~\$7.25, \$10.10, and,~~ beginning January 1, ~~2007, 2016~~ and on each subsequent January 1, the minimum wage rate shall be increased by five percent or the percentage increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally adjusted, or successor index, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous September 1, whichever is smaller, but in no event shall the minimum wage be decreased. The minimum wage shall be rounded off to the nearest \$0.01. An employer in the hotel, motel, tourist place, and restaurant industry shall not employ a service or tipped employee at a basic wage rate less than ~~\$3.65 an hour, and beginning January 1, 2008, and on each January 1 thereafter, this basic tip wage rate shall be increased at the same percentage rate as the minimum wage rate~~ one-half the minimum wage. ~~For the purposes of~~ As used in this subsection, “a service or tipped employee” means an employee of a hotel, motel, tourist place, or restaurant who customarily and regularly receives more than \$120.00 per month in tips for direct and personal

customer service. If the minimum wage rate established by the ~~United States~~ U.S. government is greater than the rate established for Vermont for any year, the minimum wage rate for that year shall be the rate established by the ~~United States~~ U.S. government.

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Sec. 2. MINIMUM WAGE STUDY

On or before January 15, 2016, the Joint Fiscal Office shall submit a report to the General Assembly detailing the impact that raising the minimum wage to the livable wage would have on:

- (1) low-wage working Vermonters;
- (2) Vermont businesses and jobs;
- (3) State and federal benefits; and
- (4) Vermont's economy as a whole.

Sec. 3. MINIMUM WAGE BENEFIT REPORT

On or before December 15, 2014, the Agency of Human Services, the Agency of Commerce and Community Development, and the Department of Labor shall submit a report to the House Committee on Commerce and Economic Development, the House Committee on Human Services, the House Committee on General, Housing and Military Affairs, the Senate Committee on Economic Development, Housing and General Affairs, and the Senate Committee on Health and Welfare detailing:

(1) the impact that a minimum wage rate of \$10.10 will have on low-wage workers, especially a low-wage worker who is a single parent with one child;

(2) how to adjust government subsidy programs to provide a slope for low-wage workers who are single parents to reflect the government subsidies received by low-wage workers who are single with no children; and

(3) the effect that an hourly wage rate of \$10.10 will have on any programs linked to the minimum wage.

Sec. 4. EFFECTIVE DATES

(a) This section and Secs. 2 and 3 shall take effect on passage.

(b) Sec. 1 shall take effect on January 1, 2015.