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H.552

Representative Donahue of Northfield moves that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

The General Assembly finds that:

(1) The value of a day’s work should merit enough pay to live above the poverty line, and investing to achieve such wages is superior to providing State subsidy programs for those who do not.

(2) The Joint Fiscal Office estimates that the cost in wages to achieve a minimum wage rate of \$10.10 in January 2015 is \$30,000,000.00, and that there can be negative consequences if a minimum wage is substantially higher than in surrounding states.

(3) Vermont currently has the third highest minimum wage in the country, and the highest in New England, with a rate that is at least \$0.75 higher than all but one of the other New England states.

(4) In January 2015, Connecticut and New York will increase their minimum wage rates to \$9.00 and \$8.75, respectively. In January 2016, New York will raise its minimum wage to \$9.00.

1 (5) Vermont should remain in the forefront of working toward a
2 minimum wage above the poverty line that protects business sustainability, but
3 that continues at a significant margin ahead of other New England states.

4 Sec. 2. 21 V.S.A. § 384 is amended to read:

5 § 384. EMPLOYMENT; WAGES

6 (a) An employer shall not employ ~~an~~ any employee at a rate of less than
7 ~~\$7.25, and, beginning \$9.25. Beginning on January 1, 2016, an employer shall~~
8 not employ any employee at a rate of less than \$9.75. Beginning on January 1,
9 ~~2007, 2017~~ and on each subsequent January 1, the minimum wage rate shall be
10 increased by five percent or the percentage increase of the Consumer Price
11 Index, CPI-U, U.S. city average, not seasonally adjusted, or successor index, as
12 calculated by the U.S. Department of Labor or successor agency for the
13 12 months preceding the previous September 1, whichever is smaller, but in no
14 event shall the minimum wage be decreased. If the federal minimum wage
15 adjusts to at least \$10.10 on or before January 1, 2017, then beginning on
16 January 1, 2017, the minimum wage rate shall adjust to \$10.50. If, on or
17 before January 1, 2017, the federal minimum wage rate adjusts to a rate less
18 than \$10.10, then beginning on January 1, 2017, the minimum wage rate shall
19 adjust to the federal minimum wage rate plus \$0.75, but shall not be a rate
20 greater than \$10.50 or \$9.75 plus the percentage increase of the Consumer
21 Price Index, CPI-U, U.S. city average, not seasonally adjusted, or successor

1 index, as calculated by the U.S. Department of Labor or successor agency for
2 the 12 months preceding the previous September 1, whichever is higher. The
3 minimum wage shall be rounded off to the nearest \$0.01. An employer in the
4 hotel, motel, tourist place, and restaurant industry shall not employ a service or
5 tipped employee at a basic wage rate less than ~~\$3.65 an hour, and beginning~~
6 ~~January 1, 2008, and on each January 1 thereafter, this basic tip wage rate shall~~
7 ~~be increased at the same percentage rate as the minimum wage rate~~ one-half
8 the minimum wage. ~~For the purposes of~~ As used in this subsection, “a service
9 or tipped employee” means an employee of a hotel, motel, tourist place, or
10 restaurant who customarily and regularly receives more than \$120.00 per
11 month in tips for direct and personal customer service. If the minimum wage
12 rate established by the ~~United States~~ U.S. government is greater than the rate
13 established for Vermont for any year, the minimum wage rate for that year
14 shall be the rate established by the ~~United States~~ U.S. government.

15 * * *

16 Sec. 3. MINIMUM WAGE STUDY

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

20 (1) low-wage working Vermonters;

21 (2) Vermont businesses and jobs;

1 (3) State and federal benefits; and

2 (4) Vermont's economy as a whole.

3 Sec. 4. EFFECTIVE DATES

4 (a) This section and Secs. 1 and 3 shall take effect on passage.

5 (b) Sec. 2 shall take effect on January 1, 2015.