

No. 86. An act relating to increasing the minimum wage.

(S.23)

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

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

(a)(1) An employer shall not employ any employee at a rate of less than ~~\$9.15. Beginning on January 1, 2016, an employer shall not employ any employee at a rate of less than \$9.60. Beginning on January 1, 2017, an employer shall not employ any employee at a rate of less than \$10.00. Beginning on January 1, 2018, an employer shall not employ any employee at a rate of less than \$10.50, and beginning~~ \$10.96. Beginning on January 1, 2019 January 1, 2021, an employer shall not employ any employee at a rate of less than \$11.75. Beginning on January 1, 2022, an employer shall not employ any employee at a rate of less than \$12.55, 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.

(2) 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 one-half the minimum wage. 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.

(3) If the minimum wage rate established by the 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 U.S. government.

Sec. 2. TIPPED AND STUDENT MINIMUM WAGE STUDY; REPORT

On or before January 15, 2021, the Office of Legislative Council and the Joint Fiscal Office shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs regarding the potential effects of altering or eliminating the basic wage rate for tipped employees in Vermont and of eliminating the subminimum wage for secondary school students during the school year. In particular, the report shall:

(1) for states that have eliminated their tipped minimum wage, examine available research and information regarding the impact on:

(A) jobs, prices, and the state economy; and

(B) the welfare of tipped workers, women, and working families with children;

(2) for states that have increased their tipped wage during the last 10 years, examine available research and information regarding the impact on:

(A) jobs, prices, and the state economy; and

(B) the welfare of tipped workers, women, and working families with children;

(3) for states that have decoupled their tipped wage from the standard minimum wage during the last 10 years, examine available research and information regarding the impact on:

(A) jobs, prices, and the state economy; and

(B) the welfare of tipped workers, women, and working families with children;

(4) examine any available research and information regarding the projected impact in Vermont of altering or eliminating the basic wage rate for tipped employees on:

(A) jobs, prices, and the State economy; and

(B) the welfare of tipped workers, women, and working families with children;

(5) for states that have eliminated a subminimum wage for secondary school students, examine available research and information regarding the impact on:

(A) jobs, prices, and the state economy; and

(B) the welfare of individuals under 22 years of age; and

(6) for Vermont, examine available research and information regarding the projected impact in Vermont of eliminating the subminimum wage for secondary school students on:

(A) jobs, prices, and the State economy; and

(B) the welfare of individuals under 22 years of age.

Sec. 3. WAGE AND HOUR LAWS FOR AGRICULTURAL WORKERS;
REPORT

On or before January 15, 2021, the Office of Legislative Council shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs regarding the wage and hour laws for agricultural workers. In particular, the report shall:

(1) examine the overlapping legal requirements of Vermont's wage and hour laws, the federal Fair Labor Standards Act, and other federal employment laws with respect to agricultural employees and employers; and

(2) summarize how other states' wage and hour laws address agricultural employees and employers.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2020.

Became law by the February 27, 2020 legislative override of Governor's veto.