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H.415

Introduced by Representatives Logan of Burlington, McGill of Bridport,
Anthony of Barre City, Burke of Brattleboro, Casey of
Montpelier, Cina of Burlington, Cole of Hartford, Cordes of
Lincoln, Garofano of Essex, Headrick of Burlington, Hooper of
Burlington, Howard of Rutland City, Hyman of South
Burlington, LaBounty of Lyndon, Leavitt of Grand Isle,
Mulvaney-Stanak of Burlington, Patt of Worcester, Small of
Winooski, Troiano of Stannard, and Williams of Barre City

Referred to Committee on

Date:

Subject: Labor; conservation and development; employment practices;
minimum wage; economic development; grant program

Statement of purpose of bill as introduced: This bill proposes to increase the
minimum wage to \$19.45 on July 1, 2023 and to repeal certain exemptions to
the minimum wage and overtime laws. This bill also proposes to create a grant
program for certain small businesses to lessen the financial impact of increases
to the minimum wage on employers.

An act relating to increasing the minimum wage, eliminating exemptions
from the minimum wage, and creating a grant program for certain
employers

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

2 * * * Minimum Wage * * *

3 Sec. 1. INTENT

4 It is the intent of the General Assembly to increase the minimum wage to an
5 amount that is equal to the average of the urban and rural Vermont Basic
6 Needs Budget wages for a single person living in Vermont with no children, as
7 described in the Joint Fiscal Office's 2022 Vermont Basic Needs Budget and
8 Livable Wage Report.

9 Sec. 2. 21 V.S.A. § 383 is amended to read:

10 § 383. DEFINITIONS

11 ~~Terms As used in this subchapter have the following meanings, unless a~~
12 ~~different meaning is clearly apparent from the language or context:~~

13 (1) "Commissioner;" means the Commissioner of Labor ~~or designee;~~

14 (2) "Employee;" means any individual employed or permitted to work
15 by an employer except:

16 (A) any individual employed in agriculture, provided the individual is
17 the agricultural employer's parent, spouse, or child;

18 (B) ~~any individual employed in domestic service in or about a private~~
19 ~~home;~~

20 (C) ~~any individual employed by the United States; and~~

1 Beginning on July 1, 2023, an employer shall not employ an employee at a rate
2 less than \$19.45. On January 1, 2024, and on each subsequent January 1, the
3 minimum wage rate shall be increased by ~~five percent~~ or the percentage
4 increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally
5 adjusted, or successor index, as calculated by the U.S. Department of Labor or
6 successor agency for the 12 months preceding the previous September 1;
7 whichever is smaller, but in no event shall the minimum wage be decreased.
8 The minimum wage shall be rounded off to the nearest \$0.01.

9 * * *

10 * * * Report * * *

11 Sec. 4. STUDY OF HIGH WAGE AND HIGH STANDARD OF LIVING
12 COUNTRIES; REPORT

13 (a) On or before August 15, 2023, the Joint Fiscal Office shall contract
14 with an economist or independent consulting entity with expertise related to
15 wages, working conditions, economic development, and standards of living to:

16 (1) identify the five countries or jurisdictions with the highest minimum
17 wages in the world;

18 (2) identify the five countries or jurisdictions with the highest standard
19 of living in the world;

20 (3) examine the success of the countries and jurisdictions identified
21 pursuant to subdivisions (1) and (2) of this subsection with respect to the

1 creation of new small businesses and those businesses' success in terms of
2 growth, job creation, economic output, and longevity;

3 (4) identify specific legal or regulatory measures in the countries and
4 jurisdictions identified pursuant to subdivisions (1) and (2) of this subsection
5 that contribute to the success of small businesses; and

6 (5) identify specific legal or regulatory measures identified pursuant to
7 subdivision (4) of this subsection that could be adopted in Vermont.

8 (b) On or before November 15, 2023, the economist or consultant shall
9 submit a written report to the House Committees on Appropriations, on
10 Commerce and Economic Development, on General and Housing, and on
11 Ways and Means and the Senate Committees on Appropriations; on Economic
12 Development, Housing and General Affairs; and on Finance. The report shall
13 include the economist's or consultant's findings and any recommendations for
14 legislative action.

15 * * * Small Employer Payroll Grant Program * * *

16 Sec. 5. 10 V.S.A. § 12 is added to read:

17 § 12. SMALL EMPLOYER PAYROLL GRANT PROGRAM

18 (a) As used in this section:

19 (1) "Agency" means the Agency of Commerce and Community
20 Development.

1 (2) “Full-time equivalent” means 2,080 hours of wages paid by an
2 employer during a taxable year, regardless of whether the hours were worked
3 by one or more employees.

4 (3) “Qualifying employer” means a business that:

5 (A) is a nonpublic, private organization that:

6 (i) is domiciled or has its primary place of business in Vermont;

7 and

8 (ii) has one or more employees in Vermont;

9 (B) is:

10 (i) organized and operated on a for-profit basis, including a sole
11 proprietor, partnership, limited liability company, business corporation,
12 cooperative, or mutual benefit enterprise; or

13 (ii) organized and operated on a nonprofit or low-profit basis,
14 including a mutual benefit corporation, public benefit corporation, and a low-
15 profit limited liability company;

16 (C) is in good standing with respect to applicable registration, fee,
17 and filing requirements with the Secretary of State, the Department of Taxes,
18 and the Department of Labor;

19 (D) employs 20 or fewer full-time equivalents during the calendar
20 year, irrespective of the employees’ state of residence or where the employees
21 perform their employment duties; and

1 (E) demonstrates that the employer is anticipated to experience a
2 reduction in net business receipts due to the increase in the minimum wage
3 required pursuant to 21 V.S.A. § 384, which shall be calculated by taking the
4 greater of the difference between the employer's net business receipts for the
5 first two quarters of 2022 or the last two quarters of 2022 in comparison to the
6 employer's projected net business receipts for the first two quarters of the
7 applicable calendar year or the last two quarters of the applicable calendar
8 year.

9 (b) A qualifying employer shall be eligible for a grant in an amount equal
10 to the full amount of the gross increase in the employer's payroll costs that are
11 attributable to the increase in the minimum wage pursuant to 21 V.S.A. § 384.

12 (c) The Agency shall:

13 (1) adopt procedures for implementing the grant program, which shall
14 include a simple certification process to certify qualifying employers; and

15 (2) promote awareness of the program, including through coordination
16 with relevant trade groups and by integration into the Agency's economic
17 development marketing campaigns.

18 Sec. 6. REPORT; IMPACT OF INCREASED MINIMUM WAGE ON
19 SMALL BUSINESSES

20 On or before January 15, 2025, the Agency of Commerce and Community
21 Development, in consultation with the Department of Labor, shall submit a

1 written report to the House Committees on General and Housing and on Ways
2 and Means and the Senate Committees on Economic Development, Housing
3 and General Affairs and on Finance regarding the minimum wage increase
4 required under 21 V.S.A. § 384 and its impact on the revenues of small
5 businesses during the first two years of implementation of the wage increase.
6 The report required under this section shall analyze the effect of the Small
7 Employer Payroll Grant Program created pursuant to 10 V.S.A. § 12 and
8 propose any changes to the Program that would further mitigate the impact of
9 the minimum wage increase under 21 V.S.A. § 384 on the revenues of small
10 businesses.

11 * * * Effective Dates * * *

12 Sec. 7. EFFECTIVE DATES

13 (a) This section and Secs. 1 (intent), 3 (minimum wage), 4 (study of high
14 wage and high standard of living countries), and 6 (reports; impact of increased
15 minimum wage on small businesses) shall take effect on passage.

16 (b) Sec. 2 (minimum wage definitions) and Sec. 5 (Payroll Grant Program)
17 shall take effect on July 1, 2023.