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H.347

Introduced by Representatives Logan of Burlington, Cina of Burlington, Cole of Hartford, Cordes of Bristol, Headrick of Burlington, Hooper of Burlington, McCann of Montpelier, McGill of Bridport, Priestley of Bradford, and Tomlinson of Winooski

Referred to Committee on

Date:

Subject: Labor; employment practices; minimum wage and overtime

Statement of purpose of bill as introduced: This bill proposes to increase the minimum wage to \$20.00 per hour, to repeal the exemption of agricultural workers from the applicability of the minimum wage laws, and to phase in overtime pay for agricultural workers. This bill also proposes to eliminate the tipped minimum wage. This bill also proposes to set a minimum salary that an employee must earn to qualify as an executive, administrative, or professional employee for purposes of being exempt from the minimum wage and overtime laws. This bill also proposes to remove the authority of the Commissioner of Labor to recommend a subminimum wage for individuals with disabilities. This bill also proposes to remove the prospective repeal, effective July 1, 2026, of the Attorney General’s authority to investigate and enforce complaints of employee misclassification.

1 An act relating to expanding coverage of the minimum wage and overtime
2 laws and maintaining the authority of the Attorney General to enforce
3 complaints of employee misclassification

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

5 Sec. 1. 21 V.S.A. § 383 is amended to read:

6 § 383. DEFINITIONS

7 As used in this subchapter:

8 (1) “Commissioner” means the Commissioner of Labor or designee.

9 (2) “Employee” means any individual employed or permitted to work by
10 an employer except:

11 (A) any individual employed in agriculture, provided the individual is
12 the agricultural employer’s parent, spouse, or child;

13 (B) ~~any individual employed in domestic service in or about a private~~
14 ~~home;~~ [Repealed.]

15 (C) any individual employed by the United States;

16 (D) any individual employed in the activities of a public supported
17 nonprofit organization, except laundry employees, nurses’ aides, or practical
18 nurses;

19 (E) any individual employed in a bona fide executive, administrative,
20 or professional capacity;

21 (F) any individual making home deliveries of newspapers or
22 advertising;

1 (G) taxi-cab drivers;

2 (H) outside salespersons; and

3 (I) students working during all or any part of the school year or
4 regular vacation periods.

5 (3) “Employer” means any person that employs two or more employees.

6 (4) “Occupation” means an industry, trade, or business or branch thereof
7 or class of work in which workers are gainfully employed.

8 (5) An “individual employed in a bona fide executive, administrative, or
9 professional capacity” means an individual who is paid a salary at least equal
10 to \$1,128,00.00 per week as of January 1, 2026. On each subsequent January
11 1, the salary threshold shall be increased by five percent or the percentage
12 increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally
13 adjusted, or successor index, as calculated by the U.S. Department of Labor or
14 successor agency for the 12 months preceding the previous September 1,
15 whichever is smaller, but in no event shall the salary threshold be decreased.

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

17 § 384. EMPLOYMENT; WAGES

18 (a)(1) Beginning on January 1, ~~2022~~ 2026, an employer shall not employ
19 any employee at a rate of less than ~~\$12.55~~ \$20.00 per hour, and on each
20 subsequent January 1, the minimum wage rate shall be increased by five
21 percent or the percentage increase of the Consumer Price Index, CPI-U, U.S.

1 city average, not seasonally adjusted, or successor index, as calculated by the
2 U.S. Department of Labor or successor agency for the 12 months preceding the
3 previous September 1, whichever is smaller, but in no event shall the minimum
4 wage be decreased. The minimum wage shall be rounded off to the nearest
5 \$0.01.

6 (2) An employer in the hotel, motel, tourist place, and restaurant
7 industry shall not employ a service or tipped employee at a basic wage rate less
8 than one-half the minimum wage. Beginning on January 1, 2026, an employer
9 shall not employ a service or tipped employee at a basic wage of less than the
10 minimum wage established pursuant to subdivision (1) of this subsection. As
11 used in this subdivision, “a service or tipped employee” means an employee of
12 a hotel, motel, tourist place, or restaurant who customarily and regularly
13 receives more than \$120.00 per month in tips for direct and personal customer
14 service.

15 (3) If the minimum wage rate established by the U.S. government is
16 greater than the rate established pursuant to subdivision (1) of this subsection
17 for any year, the minimum wage rate for that year shall be the rate established
18 by the U.S. government.

19 (b) Notwithstanding subsection (a) of this section, an employer shall not
20 pay an employee less than one and one-half times the regular wage rate for any

1 work done by the employee in excess of 40 hours during a workweek.

2 However, this subsection shall not apply to:

3 * * *

4 (9)(A) Any individual employed in agriculture, provided the employee
5 receives not less than one and one-half times the regular wage rate for any
6 work done by the employee:

7 (i) in excess of 60 hours per week, effective January 1, 2026;

8 (ii) in excess of 56 hours per week, effective January 1, 2028;

9 (iii) in excess of 52 hours per week, effective January 1, 2030;

10 (iv) in excess of 48 hours per week, effective January 1, 2032;

11 (v) in excess of 44 hours per week, effective January 1, 2034; and

12 (vi) in excess of 40 hours per week, effective January 1, 2036.

13 (B) This subdivision (9) shall not apply if the individual is the
14 agricultural employer's parent, spouse, or child.

15 * * *

16 Sec. 3. 21 V.S.A. § 385 is amended to read:

17 § 385. ADMINISTRATION

18 The Commissioner and the Commissioner's authorized representatives have
19 full power and authority for all the following:

20 * * *

1 (5) To recommend a suitable scale of rates for learners, and apprentices,
2 ~~and persons with disabilities~~, which may be less than the regular minimum
3 wage rate for experienced workers ~~without disabilities~~.

4 Sec. 4. 2019 Acts and Resolves No. 85, Sec. 11 is amended to read:

5 Sec. 11. REPEALS

6 (a) 3 V.S.A. § 222d is repealed.

7 (b) 21 V.S.A. §§ ~~346~~, 387, 712, and 1379 are repealed.

8 Sec. 5. EFFECTIVE DATE

9 This act shall take effect on passage.