

1 H.713

2 Introduced by Representatives Greer of Bennington, Cina of Burlington, and
3 Headrick of Burlington

4 Referred to Committee on

5 Date:

6 Subject: Labor; employment practices; minimum wages; national fast food
7 chain; Fast Food Council

8 Statement of purpose of bill as introduced: This bill proposes to increase the
9 minimum wage for employees working for a national fast food chain. This bill
10 also proposes to create the Fast Food Council to recommend future increases to
11 the minimum wage and other minimum employment standards for employees
12 working for a national fast food chain.

13 An act relating to raising the minimum wage for employees working for a
14 national fast food chain

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

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

17 § 384. EMPLOYMENT; WAGES

18 (a)(1) Beginning on January 1, 2022, an employer shall not employ any
19 employee at a rate of less than \$12.55, and on each subsequent January 1, the
20 minimum wage rate shall be increased by five percent or the percentage

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

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

13 (3) Beginning on January 1, 2027, the hourly minimum wage for
14 individuals employed by a nationwide fast food chain shall be \$20.00 per hour,
15 and on each subsequent January 1, the minimum wage rate shall be increased
16 by the same percentage as the annual increase set forth in subdivision (1) of
17 this subsection. As used in this subdivision, “a nationwide fast food chain”
18 means a set of limited-service restaurants consisting of more than 60
19 establishments nationally that share a common brand, or that are characterized
20 by standardized options for decor, marketing, packaging, products, and
21 services, and which are primarily engaged in providing food and beverages for

1 immediate consumption on or off the premises where patrons generally order
2 or select items and pay before consuming, with limited or no table service.
3 This subdivision applies regardless of whether the employer owns the national
4 brand or is a franchisee or licensee of the national brand. A “limited-service
5 restaurant” includes establishments with the North American Classification
6 System Code of 722513.

7 (4) If the minimum wage rate established by the U.S. government is
8 greater than the rate established pursuant to subdivision (1) of this subsection
9 for any year, the minimum wage rate for that year shall be the rate established
10 by the U.S. government.

11 * * *

12 SEC. 2. FAST FOOD COUNCIL: REPORT

18 (b) Membership.

19 (1) The Council shall consist of the following five voting members:

1 (B) a fast food restaurant franchisee or restaurant owner, appointed

2 by the Governor;

3 (C) a fast food restaurant employee, appointed by the Speaker of the
4 House;

5 (D) an advocate for fast food restaurant employees, appointed by the
6 Committee on Committees; and

7 (E) one unaffiliated member of the public, appointed by the
8 Governor, who:

9 (i) is not an owner, franchisee, officer, or employee in the fast
10 food restaurant industry;

11 (ii) is not an employee, officer, or member of a labor organization
12 representing fast food restaurant employees; and

13 (iii) who has not received income from the fast food restaurant
14 industry or any labor organization for a period of two years prior to
15 appointment.

16 (2) The Council shall consist of the following two nonvoting members:

17 (A) a representative from the Department of Labor, appointed by the
18 Commissioner of Labor; and

19 (B) a representative from the Office of the Governor, appointed by
20 the Governor.

1 (3) Members of the Council shall be appointed on or before February
2 28, 2027, and all terms shall end on January 1, 2031.

3 (4) Vacancies shall be filled in the same manner as for the original
4 appointments for the remainder of the unexpired term.

5 (c) Powers and duties. The Council shall study:

6 (1) minimum standards on wages, working hours, training, and other
7 working conditions adequate to ensure and maintain the health, safety, and
8 welfare of individuals employed by nationwide fast food chains; and

9 (2) the effectiveness of the Department of Labor's response to issues
10 affecting the health, safety, and welfare of individuals employed by nationwide
11 fast food chains.

12 (d) Reports. On or before December 15, 2028, and annually thereafter
13 through January 1, 2031, the Council shall submit a report to the House
14 Committee on General and Housing and to the Senate Committee on Economic
15 Development, Housing and General Affairs with its findings and any
16 recommendations for legislative action.

17 (e) Meetings.

18 (1) The representative from the Department of Labor appointed pursuant
19 to subdivision (b)(2)(A) of this section shall be responsible for convening the
20 first meeting of the Council.

1 (2) The voting members of the Council shall select the Chair and the
2 Vice Chair from among its members at the first meeting.

3 (3) A majority of the members of the Council shall constitute a quorum
4 for the transaction of any business of the Council. Any action taken by the
5 Council shall be by a majority of the voting members pursuant to 1 V.S.A.
6 § 172.

7 (4) The Council shall convene on or before May 1, 2027, and shall cease
8 to exist on January 1, 2031.

9 (5) Meetings of the Council shall be open to the public pursuant to
10 1 V.S.A. chapter 5, subchapter 2.

11 (f) Assistance. The Council shall have administrative and technical
12 assistance from the Department of Labor.

13 (g) Compensation and reimbursement. Members of the Council shall be
14 entitled to per diem compensation and reimbursement of expenses as permitted
15 under 32 V.S.A. § 1010 for not more than four meetings a year. These
16 payments shall be made from monies appropriated to the Department of Labor.

17 Sec. 3. EFFECTIVE DATE

18 This act shall take effect on July 1, 2026.