



# House of Representatives

General Assembly

**File No. 36**

February Session, 2000

House Bill No. 5160

*House of Representatives, March 10, 2000*

The Committee on Labor and Public Employees reported through REP. DONOVAN of the 84<sup>th</sup> Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***An Act Increasing The Minimum Wage.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Subsection (j) of section 31-58 of the general statutes is repealed and  
2 the following is substituted in lieu thereof:

3 (j) "Minimum fair wage" in any industry or occupation in this state  
4 means a wage of not less than two dollars and sixty-six cents per hour,  
5 and effective January 1, 1979, not less than two dollars and ninety-one  
6 cents per hour, and effective January 1, 1980, not less than three dollars  
7 and twelve cents per hour, and effective January 1, 1981, not less than  
8 three dollars and thirty-seven cents per hour, and effective October 1,  
9 1987, not less than three dollars and seventy-five cents per hour, and  
10 effective October 1, 1988, not less than four dollars and twenty-five  
11 cents per hour, and effective January 1, 1999, not less than five dollars  
12 and sixty-five cents per hour, and effective January 1, 2000, not less  
13 than six dollars and fifteen cents per hour, and effective January 1,  
14 2001, not less than six dollars and seventy-five cents per hour, or one-

15 half of one per cent rounded to the nearest whole cent more than the  
16 highest federal minimum wage, whichever is greater, except as may  
17 otherwise be established in accordance with the provisions of this part.  
18 Effective July 1, 2002, and each July first thereafter, the minimum fair  
19 wage shall be adjusted by the percentage increase, if any, in the  
20 National Consumer Price Index for all urban wage earners for the  
21 twelve-month period ending on the last day of the preceding May, as  
22 reported by the Bureau of Labor Statistics of the United States  
23 Department of Labor, or one-half of one per cent rounded to the  
24 nearest whole cent more than the highest federal minimum wage,  
25 whichever is greater, except as may otherwise be established in  
26 accordance with the provisions of this part. All wage orders in effect  
27 on October 1, 1971, wherein a lower minimum fair wage has been  
28 established, are amended to provide for the payment of the minimum  
29 fair wage herein established except as hereinafter provided. Whenever  
30 the highest federal minimum wage is increased, the minimum fair  
31 wage established under this part shall be increased to the amount of  
32 said federal minimum wage plus one-half of one per cent more than  
33 said federal rate, rounded to the nearest whole cent, effective on the  
34 same date as the increase in the highest federal minimum wage, and  
35 shall apply to all wage orders and administrative regulations then in  
36 force. The rates for learners, beginners, and persons under the age of  
37 eighteen years shall be not less than eighty-five per cent of the  
38 minimum fair wage for the first two hundred hours of such  
39 employment and equal to the minimum fair wage thereafter, except  
40 institutional training programs specifically exempted by the  
41 commissioner.

**LAB Committee Vote:** Yea 9 Nay 2 JF

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** Minimal Cost

**Affected Agencies:** Most State Agencies

**Municipal Impact:** Minimal Cost

**Explanation**

**State and Municipal Impact:**

The passage of this bill is anticipated to result in minimal costs to the state and municipalities beginning in FY 01. The bill increases the state's minimum wage from \$6.15 to \$6.75 an hour effective January 1, 2001. It also requires the state minimum wage to annually increase, beginning July 1, 2002 (1) by either the amount of inflation or (2) to 0.5% above the federal minimum wage, whichever is greater. The current statutes set the state minimum wage at \$6.15 per hour effective January 1, 2000, or 0.5% above the federal minimum wage, whichever is higher.

This increase in the state minimum wage will not have a direct impact on the salaries of most State and municipal employees. Virtually the only state and local workers paid wages at or below the minimum wage are summer workers, student and senior workers, and a few other part-time laborers. These costs are not anticipated to be significant, but could have an impact on a limited number of State and municipal programs (such as recreational programs) that largely

utilize these types of positions. Increasing the minimum wage could result in an increase in wages to some additional public employees in lower paid positions due to the effect of "salary compression" on the wage scales. The impact is anticipated to be minimal.

An increase in the state minimum wage would result in higher labor costs for some private sector employers, especially those in service industries. Since the State and municipalities obtain a large amount of goods and services from the private sector, this could result in additional costs. The increase in costs is not anticipated to be significant.

**OLR Bill Analysis**

HB 5160

***AN ACT INCREASING THE MINIMUM WAGE.*****SUMMARY:**

This bill increases the minimum wage from \$6.15 to \$6.75 an hour beginning January 1, 2001. It annually increases the minimum wage, beginning July 1, 2002, by (1) the amount of inflation, if any, measured by the Consumer Price Index for all urban wage earners or (2) 0.5% of the highest federal minimum wage, whichever is higher. By law, which the bill does not change, whenever the federal wage is increased, the state minimum is increased to that level, plus 0.5%.

EFFECTIVE DATE: October 1, 2000

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Report

Yea 9 Nay 2