



# House of Representatives

General Assembly

**File No. 610**

February Session, 2000

Substitute House Bill No. 5160

*House of Representatives, April 13, 2000*

The Committee on Appropriations reported through REP. DYSON of the 94<sup>th</sup> Dist., Chairperson of the Committee on the part of the House, that the substitute 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1 Subsection (j) of section 31-58 of the general statutes is repealed and  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 All wage orders in effect on October 1, 1971, wherein a lower  
19 minimum fair wage has been established, are amended to provide for  
20 the payment of the minimum fair wage herein established except as  
21 hereinafter provided. Whenever the highest federal minimum wage is  
22 increased, the minimum fair wage established under this part shall be  
23 increased to the amount of said federal minimum wage plus one-half  
24 of one per cent more than said federal rate, rounded to the nearest  
25 whole cent, effective on the same date as the increase in the highest  
26 federal minimum wage, and shall apply to all wage orders and  
27 administrative regulations then in force. The rates for learners,  
28 beginners, and persons under the age of eighteen years shall be not  
29 less than eighty-five per cent of the minimum fair wage for the first  
30 two hundred hours of such employment and equal to the minimum  
31 fair wage thereafter, except institutional training programs specifically  
32 exempted by the commissioner.

**APP Committee Vote:** Yea 31 Nay 15 JFS

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. 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.

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**OLR Bill Analysis**

sHB 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. By law, which the bill does not change, whenever the federal minimum wage is increased, the state minimum is increased to that level, plus 0.5%.

EFFECTIVE DATE: October 1, 2000

**BACKGROUND**

***Legislative History***

On March 15, the House sent this bill (File 36) to the Planning and Development Committee, which favorably reported it. On March 29, the House sent it to the Appropriations Committee, which favorably reported it with substitute language. The substitute language removes a provision that annually increased the minimum wage by the amount of inflation, if any, measured by the consumer price index for urban wage earners.

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Report

Yea 9 Nay 2

Planning and Development Committee

Joint Favorable Report

Yea 10 Nay 5

Appropriations Committee

Joint Favorable Substitute

Yea 31    Nay 15