



# House of Representatives

## File No. 664

General Assembly

February Session, 2000

**(Reprint of File Nos. 36 and 610)**

Substitute House Bill No. 5160  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
April 26, 2000

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

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

1 Section 1. Subsection (j) of section 31-58 of the general statutes is  
2 repealed and the following is substituted in lieu thereof: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 forty cents per hour, and effective  
15 January 1, 2002, six dollars and seventy cents per hour, or one-half of

16 one per cent rounded to the nearest whole cent more than the highest  
17 federal minimum wage, whichever is greater, except as may otherwise  
18 be established in accordance with the provisions of this part. All wage  
19 orders in effect on October 1, 1971, wherein a lower minimum fair  
20 wage has been established, are amended to provide for the payment of  
21 the minimum fair wage herein established except as hereinafter  
22 provided. Whenever the highest federal minimum wage is increased,  
23 the minimum fair wage established under this part shall be increased  
24 to the amount of said federal minimum wage plus one-half of one per  
25 cent more than said federal rate, rounded to the nearest whole cent,  
26 effective on the same date as the increase in the highest federal  
27 minimum wage, and shall apply to all wage orders and administrative  
28 regulations then in force. The rates for learners, beginners, and persons  
29 under the age of eighteen years shall be not less than eighty-five per  
30 cent of the minimum fair wage for the first two hundred hours of such  
31 employment and equal to the minimum fair wage thereafter, except  
32 institutional training programs specifically exempted by the  
33 commissioner.

34 Sec. 2. Subsection (b) of section 31-60 of the general statutes, as  
35 amended by public act 99-199, is repealed and the following is  
36 substituted in lieu thereof:

37 (b) The Labor Commissioner shall adopt such regulations, in  
38 accordance with the provisions of chapter 54, as may be appropriate to  
39 carry out the purposes of this part. Such regulations may include, but  
40 are not limited to, regulations defining and governing an executive,  
41 administrative or professional employee and outside salesperson;  
42 learners and apprentices, their number, proportion and length of  
43 service; piece rates in relation to time rates; and shall recognize, as part  
44 of the minimum fair wage, gratuities in an amount equal to  
45 twenty-three per cent of the minimum fair wage per hour for persons  
46 employed in the hotel and restaurant industry, [which term shall  
47 include] including a hotel restaurant, and not to exceed thirty-five  
48 cents per hour in any other industry, and shall also recognize  
49 deductions and allowances for the value of board, in the amount of

50 eighty-five cents for a full meal and forty-five cents for a light meal,  
51 lodging, apparel or other items or services supplied by the employer;  
52 and other special conditions or circumstances which may be usual in a  
53 particular employer-employee relationship. Notwithstanding the  
54 provisions of this subsection, such regulations shall provide that  
55 during the period commencing January 1, 2001, and ending December  
56 31, 2002, the minimum wage for persons employed in the hotel and  
57 restaurant industry, including a hotel restaurant, who customarily and  
58 regularly receive gratuities shall be four dollars and seventy-four cents  
59 per hour, except during said period the minimum wage for bartenders  
60 who customarily and regularly receive gratuities shall be six dollars  
61 and fifteen cents per hour. The commissioner may provide, in such  
62 regulations, modifications of the minimum fair wage herein  
63 established for learners and apprentices; persons under the age of  
64 eighteen years; and for such special cases or classes of cases as the  
65 commissioner finds appropriate to prevent curtailment of employment  
66 opportunities, avoid undue hardship and safeguard the minimum fair  
67 wage herein established. Regulations in effect on July 1, 1973,  
68 providing for a board deduction and allowance in an amount differing  
69 from that provided in this section shall be construed to be amended  
70 consistent herewith without the necessity of convening a wage board  
71 or amending said regulations.

72 Sec. 3. Subsection (b) of section 31-23 of the general statutes is  
73 repealed and the following is substituted in lieu thereof:

74 (b) (1) Notwithstanding the provisions of subsection (a) of this  
75 section, a minor who has reached the age of fifteen may be employed  
76 or permitted to work in any mercantile establishment, from June 19,  
77 1992, to September 30, 2002, inclusive, as a bagger, cashier or stock  
78 clerk, provided such employment shall be (A) limited to periods of  
79 school vacation during which school is not in session for five  
80 consecutive days or more except that such minor employed in a retail  
81 food store who may work on any Saturday during the year; (B) for not  
82 more than forty hours in any week; (C) for not more than eight hours  
83 in any day; and (D) between the hours of seven o'clock in the morning

84 and seven o'clock in the evening, except that from July first to the first  
85 Monday in September in any year, any such minor may be employed  
86 until nine o'clock in the evening. (2) Each person who employs a  
87 fifteen-year-old minor in any mercantile establishment pursuant to this  
88 subsection shall obtain a certificate stating that such minor is fifteen  
89 years of age or older, as provided in section 10-193. Such certificate  
90 shall be kept on file at the place of employment and shall be available  
91 at all times during business hours to the inspectors of the Labor  
92 Department. (3) The Labor Commissioner may adopt regulations, in  
93 accordance with the provisions of chapter 54, as he deems necessary to  
94 implement the provisions of this subsection.

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:** Department of Labor, Various 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 \$6.40 an hour effective January 1, 2001, and to \$6.70 an hour effective January 1, 2002. 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.

The bill also freezes the hourly amount employers must pay tipped employees at their current minimum rate of \$4.74 per hour until January 1, 2003, when the minimum increases to \$5.16 per hour. It requires employers to pay bartenders who regularly receive tips \$6.15 per hour until January 1, 2003, when the minimum increases to \$6.70 per hour. There will be a minimal workload increase for the Department of Labor associated with including the minimum wage of \$4.74 for hotel employees and \$6.15 per hour. These minimum wage rates shall be in effect from January 1, 2001 through December 31, 2002. This responsibility can be handled within the anticipated budgetary resources of the Department of Labor.

The bill allows 15 and 16-year olds to work in retail food stores on Saturdays. This has no fiscal impact on the state or municipalities.

House Amendment "A" reduced the increase in the minimum wage in the original bill of \$0.75 beginning January 1, 2001, to \$0.55 over a two-year period. This reduced the minimal fiscal impact on the state and municipalities. It also adds provisions on tipped employees and the employment of 15 and 16-year olds in food retail stores on Saturdays, which results in minimal, absorbable costs to the state.

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**OLR Amended Bill Analysis**

sHB 5160 (File 610, as amended by House "A")\*

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

This bill increases the minimum wage by 55¢ over a two-year period. It increases the minimum wage from \$6.15 to \$6.40 an hour beginning January 1, 2001 and to \$6.70 beginning January 1, 2002. 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%.

By law, employers of tipped employees receive a 23% credit against the minimum wage for these employees. As a result of the credit, they currently pay tipped employees \$4.74 per hour. The bill freezes the hourly amount employers must pay tipped employees at \$4.74 until January 1, 2003, at which time they must pay \$5.16 per hour (\$6.70 minus 23%). It requires employers to pay bartenders who regularly receive tips \$6.15 per hour until January 1, 2003, when these bartenders must receive \$6.70. The bill requires these changes to be part of Labor Department regulations.

Finally, the bill allows 15-year olds to work in retail food stores on any Saturday during the year. Current law bars them from doing so unless school is not in session for at least five consecutive days. Under the bill, current daily and weekly hour restrictions apply to these 15-year olds.

\*House Amendment "A" increases the minimum wage by 55¢ over a two-year period instead of by 60¢ beginning January 1, 2001. It adds the provisions concerning tipped employees and allows 15-year olds to work in food retail stores on Saturdays, regardless of whether school is in session.

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 removed a provision that would have 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