



# House of Representatives

General Assembly

**File No. 6**

January Session, 2003

House Bill No. 6214

*House of Representatives, February 26, 2003*

The Committee on Labor and Public Employees reported through REP. RYAN of the 139th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING GRATUITIES IN THE HOTEL AND RESTAURANT INDUSTRY.**

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

1 Section 1. Subsection (b) of section 31-60 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2003*):

4 (b) The Labor Commissioner shall adopt such regulations, in  
5 accordance with the provisions of chapter 54, as may be appropriate to  
6 carry out the purposes of this part. Such regulations may include, but  
7 are not limited to, regulations defining and governing an executive,  
8 administrative or professional employee and outside salesperson;  
9 learners and apprentices, their number, proportion and length of  
10 service; piece rates in relation to time rates; and shall recognize, as part  
11 of the minimum fair wage, gratuities in an amount (1) equal to  
12 [twenty-three] twenty-nine and three-tenths per cent of the minimum  
13 fair wage per hour for persons employed in the hotel and restaurant

14 industry, including a hotel restaurant, who customarily and regularly  
 15 receive gratuities, (2) equal to eight and two-tenths per cent of the  
 16 minimum fair wage per hour for persons employed as bartenders who  
 17 customarily and regularly receive gratuities, and (3) not to exceed  
 18 thirty-five cents per hour in any other industry, and shall also  
 19 recognize deductions and allowances for the value of board, in the  
 20 amount of eighty-five cents for a full meal and forty-five cents for a  
 21 light meal, lodging, apparel or other items or services supplied by the  
 22 employer; and other special conditions or circumstances which may be  
 23 usual in a particular employer-employee relationship.  
 24 [Notwithstanding the provisions of this subsection, for the period  
 25 commencing January 1, 2002, and ending December 31, 2004, such  
 26 regulations shall recognize, as part of the minimum fair wage,  
 27 gratuities in an amount equal to (1) twenty-nine and three-tenths per  
 28 cent of the minimum fair wage per hour for persons employed in the  
 29 hotel and restaurant industry, including a hotel restaurant, who  
 30 customarily and regularly receive gratuities, and (2) eight and two-  
 31 tenths per cent of the minimum fair wage per hour for persons  
 32 employed as bartenders who customarily and regularly receive  
 33 gratuities.] The commissioner may provide, in such regulations,  
 34 modifications of the minimum fair wage herein established for learners  
 35 and apprentices; persons under the age of eighteen years; and for such  
 36 special cases or classes of cases as the commissioner finds appropriate  
 37 to prevent curtailment of employment opportunities, avoid undue  
 38 hardship and safeguard the minimum fair wage herein established.  
 39 Regulations in effect on July 1, 1973, providing for a board deduction  
 40 and allowance in an amount differing from that provided in this  
 41 section shall be construed to be amended consistent with this section  
 42 without the necessity of convening a wage board or amending said  
 43 regulations.

This act shall take effect as follows:	
Section 1	July 1, 2003

**LAB**      *Joint Favorable*

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:

---

***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill will result in no additional cost to the Department of Labor as it makes permanent a temporary provision that increased the tip credit for hotel and restaurant employers.

---

**OLR Bill Analysis**

HB 6214

***AN ACT CONCERNING GRATUITIES IN THE HOTEL AND RESTAURANT INDUSTRY*****SUMMARY:**

This bill makes permanent the existing temporary tip credit for hotel and restaurant employers by removing the sunset clause enacted when the credit was raised two years ago. The credit allows hotels and restaurants to pay service employees and bartenders less than minimum wage as long as the tips make up the difference.

Under the temporary provision, the tip credit is 29.3% for hotel and restaurant service employees, and 8.2% for bartenders, who regularly receive tips. By law, these provisions will expire on December 31, 2004, at which point the service employees' tip credit will revert to 23% and the bartenders' tip credit will expire.

EFFECTIVE DATE: July 1, 2003

**BACKGROUND*****Minimum Wage & the Tip Credit***

The current minimum wage is \$6.90 an hour. With the tip credit, the minimum for service employees is \$4.88 and for bartenders \$6.33 an hour. On January 1, 2004, the minimum wage will increase to \$7.10 an hour, which will increase the tip credit-reduced minimum wage to \$5.02 for service employees and \$6.52 for bartenders.

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Report

Yea 14    Nay 0