

1 SB185
2 173437-1
3 By Senators Coleman-Madison, Beasley and Singleton
4 (Constitutional Amendment)
5 RFD: Fiscal Responsibility and Economic Development
6 First Read: 09-FEB-16

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8 SYNOPSIS: Currently, Alabama does not have a state
9 minimum wage law but the federal minimum wage is
10 \$7.15 per hour.

11 This bill would propose a constitutional
12 amendment to establish a state minimum wage of \$10
13 per hour by increasing the existing federal rate in
14 three steps ending January 1, 2018.

15 This bill would provide that tipped
16 employees' wages may not fall below 30 percent of
17 the minimum wage.

18 The bill would provide for an increase of
19 the minimum wage commencing on January 1, 2021, and
20 every three years thereafter based on the Consumer
21 Price Index for the July 1st of the year preceding
22 the year of the increase.

23 The bill would require the Director of
24 Finance to notify the Alabama Department of Labor
25 in writing between October 1 and October 15 each
26 year preceding a wage adjustment of the percentage

1 to be used for the cost-of-living adjustment for
2 the next three calendar years.

3 This bill would require the Alabama
4 Department of Labor to post any change in the state
5 minimum wage on its website which shall serve as
6 notice to each employer of this state.

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8 A BILL
9 TO BE ENTITLED
10 AN ACT

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12 Relating to wages; proposing an amendment to the
13 Constitution of Alabama of 1901, to establish a state minimum
14 wage and to provide for an increase based on the increase in
15 the Consumer Price Index for Alabama as reported by the United
16 States Department of Labor; to provide for tipped employees;
17 to provide that the Consumer Price Index for the July 1st
18 preceding the year of the increase; to require the Director of
19 Finance to notify the Alabama Department of Labor in writing
20 between October 1 and October 15 every three fiscal years of
21 the percentage to be used for the cost-of-living adjustment
22 for the next three calendar years; and to require the Alabama
23 Department of Labor to post any change in the state minimum
24 wage on its website which shall serve as notice to each
25 employer of this state.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 2. (a) Each employer shall pay to each
2 employee other than a tipped employee wages at a rate that is
3 no less than ten dollars (\$10) per hour or the federal minimum
4 wage, whichever is larger.

5 (b) The increase to ten dollars (\$10) shall occur in
6 the following increments: The first increase on January 1,
7 2017, to eight dollars and 10 cents (\$8.10) per hour, the
8 second increase on July 1, 2017, to eight dollars and 95 cents
9 (\$8.95) per hour and the last increase on January 1, 2018, to
10 ten dollars (\$10) per hour.

11 (c) The wages paid to a tipped employee may not fall
12 below 30 percent of the federal or the state minimum wage
13 rate, whichever is greater, at any time. If an employee's
14 gratuities or voluntary monetary contribution combined with
15 the employer's direct wages do not equal the applicable
16 minimum wage rate, the employer must pay the difference in the
17 form of a tip credit.

18 Section 3. Each employer subject to this amendment
19 shall keep a summary of this amendment and any applicable wage
20 orders and regulations posted in a conspicuous and accessible
21 place in or about the premises or place of business of the
22 employer.

23 Section 4. An employer who violates the minimum wage
24 requirements of this amendment shall be liable to the employee
25 for the amount of unpaid minimum wages plus interest. The
26 court, in addition to any judgment awarded to an employee,
27 shall require the defendant to pay court costs and reasonable

1 attorney's fees incurred by the employee. An action under this
2 section must be instituted within three years from the date
3 the wages should have been paid.

4 Section 5. Nothing in this amendment shall be deemed
5 to interfere with, impede, or in any way diminish the right of
6 employees to bargain collectively through representatives of
7 their own choosing in order to establish wages in excess of
8 the applicable minimum wage provided for by this amendment.

9 Section 6. Beginning January 1, 2021, and every
10 subsequent three years, the minimum wage provided in Section 2
11 shall be increased by the same amount as the increase in the
12 Consumer Price Index for Alabama as reported by the United
13 States Department of Labor for the previous July 1, or any
14 subsequent equivalent index. The Director of Finance shall
15 notify the Alabama Department of Labor in writing between
16 October 1 and October 15 of each fiscal year of the percentage
17 to be used for the cost-of-living adjustment for the next
18 three calendar years. The Alabama Department of Labor shall
19 post any change in the minimum wage on its website which shall
20 serve as notice to each employer of this state.

21 Section 2. An election upon the proposed amendment
22 shall be held in accordance with Sections 284 and 285 of the
23 Constitution of Alabama of 1901, now appearing as Sections 284
24 and 285 of the Official ReCompilation of the Constitution of
25 Alabama of 1901, as amended, and the election laws of this
26 state.

1 Section 3. The appropriate election official shall
2 assign a ballot number for the proposed constitutional
3 amendment on the election ballot and shall set forth the
4 following description of the substance or subject matter of
5 the proposed constitutional amendment:

6 "Proposing an amendment to the Constitution of
7 Alabama of 1901, to establish a state minimum wage of ten
8 dollars (\$10) per hour, provide the increase from the current
9 rate in three increments commencing on January 1, 2018, and to
10 provide for an increase in the state minimum wage every
11 subsequent three years based on the increase in the Consumer
12 Price Index for Alabama as reported by the United States
13 Department of Labor.

14 "Proposed by Act _____."

15 This description shall be followed by the following
16 language:

17 "Yes () No ()."