

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

H.510

Introduced by Representatives Troiano of Stannard, Gonzalez of Winooski,
Anthony of Barre City, Austin of Colchester, Bartholomew of
Hartland, Brownell of Pownal, Burke of Brattleboro, Chesnut-
Tangerman of Middletown Springs, Christensen of
Weathersfield, Christie of Hartford, Cina of Burlington,
Colburn of Burlington, Colston of Winooski, Cordes of
Lincoln, Donovan of Burlington, Gardner of Richmond,
Giambatista of Essex, Kitzmiller of Montpelier, Kornheiser of
Brattleboro, McCarthy of St. Albans City, McCullough of
Williston, Mrowicki of Putney, Nicoll of Ludlow, Ode of
Burlington, O’Sullivan of Burlington, Rachelson of Burlington,
Ralph of Hartland, Redmond of Essex, Scheu of Middlebury,
Sheldon of Middlebury, Sullivan of Burlington, Townsend of
South Burlington, and Walz of Barre City

Referred to Committee on

Date:

Subject: Labor; employment practices; minimum wage

Statement of purpose of bill as introduced: This bill proposes to increase the
minimum wage to \$15.00 per hour by January 1, 2024.

1 An act relating to increasing the minimum wage

2 It is hereby enacted by the General Assembly of the State of Vermont:

3 Sec. 1. 21 V.S.A. § 384 is amended to read:

4 § 384. EMPLOYMENT; WAGES

5 (a)(1) An employer shall not employ any employee at a rate of less than
6 ~~\$9.15. Beginning on January 1, 2016, an employer shall not employ any~~
7 ~~employee at a rate of less than \$9.60. Beginning on January 1, 2017, an~~
8 ~~employer shall not employ any employee at a rate of less than \$10.00.~~
9 ~~Beginning on January 1, 2018, an employer shall not employ any employee at~~
10 ~~a rate of less than \$10.50, and beginning \$10.78. Beginning on January 1,~~
11 ~~2019 2020, an employer shall not employ any employee at a rate of less than~~
12 ~~\$11.50. Beginning on January 1, 2021, an employer shall not employ any~~
13 ~~employee at a rate of less than \$12.25. Beginning on January 1, 2022, an~~
14 ~~employer shall not employ any employee at a rate of less than \$13.10.~~
15 Beginning on January 1, 2023, an employer shall not employ any employee at
16 a rate of less than \$14.05. Beginning on January 1, 2024, an employer shall
17 not employ any employee at a rate of less than \$15.00, and on each subsequent
18 January 1, the minimum wage rate shall be increased by five percent or the
19 percentage increase of the Consumer Price Index, CPI-U, U.S. city average,
20 not seasonally adjusted, or successor index, as calculated by the U.S.
21 Department of Labor or successor agency for the 12 months preceding the

1 previous September 1, whichever is smaller, but in no event shall the minimum
2 wage be decreased. The minimum wage shall be rounded off to the nearest
3 \$0.01.

4 (2) An employer shall not employ a secondary school student at a rate of
5 less than the minimum wage established pursuant to subdivision (1) of this
6 subsection minus \$3.00.

7 (3) An employer in the hotel, motel, tourist place, and restaurant
8 industry shall not employ a service or tipped employee at a basic wage rate less
9 than one-half the minimum wage. As used in this subsection, “a service or
10 tipped employee” means an employee of a hotel, motel, tourist place, or
11 restaurant who customarily and regularly receives more than \$120.00 per
12 month in tips for direct and personal customer service.

13 (4) If the minimum wage rate established by the U.S. government is
14 greater than the rate established for Vermont for any year, the minimum wage
15 rate for that year shall be the rate established by the U.S. government.

16 * * *

17 (e)(1) A tip shall be the sole property of the employee or employees to
18 whom it was paid, given, or left. An employer that permits patrons to pay tips
19 by credit card shall pay an employee the full amount of the tip that the
20 customer indicated, without any deductions for credit card processing fees or
21 costs that may be charged to the employer by the credit card company.

1 (2) An employer shall not collect, deduct, or receive any portion of a tip
2 left for an employee or credit any portion of a tip left for an employee against
3 the wages due to the employee pursuant to subsection (a) of this section.

4 (3) This subsection shall not be construed to prohibit the pooling of tips
5 among service or tipped employees as defined pursuant to subsection (a) of
6 this section.

7 Sec. 2. 21 V.S.A. § 383 is amended to read:

8 § 383. DEFINITIONS

9 ~~Terms used in this subchapter have the following meanings~~ As used in this
10 subchapter, unless a different meaning is clearly apparent from the language or
11 context:

12 (1) “Commissioner;” means the Commissioner of Labor or designee;

13 (2) “Employee;” means any individual employed or permitted to work
14 by an employer except:

15 * * *

16 (G) ~~taxi-cab~~ taxicab drivers; and

17 (H) outside salespersons; ~~and.~~

18 (I) ~~students working during all or any part of the school year or~~
19 ~~regular vacation periods.~~ [Repealed.]

20 (3) “Occupation;” means an industry, trade, ~~or~~ business or branch
21 thereof, or a class of work in which workers are gainfully employed.

1 (4) “Tip” means a sum of money gratuitously and voluntarily left by a
2 customer for service, or indicated on a bill or charge statement, to be paid to a
3 service or tipped employee for directly and personally serving the customer in
4 a hotel, motel, tourist place, or restaurant. An employer-mandated service
5 charge shall not be considered a tip.

6 Sec. 3. CHILD CARE FINANCIAL ASSISTANCE PROGRAM; STATE
7 PLAN

8 To the extent funds are appropriated, the Commissioner for Children and
9 Families shall amend the Department for Children and Families’ federal Child
10 Care and Development Fund State Plan to:

11 (1) adjust the sliding scale of the Child Care Financial Assistance
12 Program benefit to correspond with each minimum wage increase required
13 pursuant to this act to ensure that the benefit percentage at each new minimum
14 wage level remains the same as the percentage applied under the former
15 minimum wage; and

16 (2) adjust the market rate used to inform the fee scale in a manner that
17 offsets the estimated increased cost of child care in Vermont resulting from the
18 increase in the minimum wage required pursuant to this act.

19 Sec. 4. MINIMUM WAGE; ADJUSTMENT FOR INFLATION; REPORT

20 On or before January 15, 2023, the Office of Legislative Council and the
21 Joint Fiscal Office shall submit a written report to the House Committee on

1 General, Housing, and Military Affairs and the Senate Committee on
2 Economic Development, Housing and General Affairs regarding potential
3 mechanisms for indexing the minimum wage established pursuant to 21 V.S.A.
4 § 384 to inflation after 2024. In particular, the report shall:

5 (1) identify and examine mechanisms that other jurisdictions use to
6 index their minimum wages to inflation and the potential benefits and
7 disadvantages of each mechanism; and

8 (2) identify and examine any alternative mechanisms to index the
9 minimum wage to inflation, including alternative measures of inflation, and the
10 potential benefits and disadvantages of each mechanism.

11 Sec. 5. EFFECTIVE DATE

12 This act shall take effect on July 1, 2019.