

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44

STATE OF MAINE
HOUSE OF REPRESENTATIVES
114TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1646, L.D. 2279, Bill, "An Act Concerning the State Minimum Wage"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

Sec. 1. 26 MRSA §664, as amended by PL 1987, c. 738, §§1 and 2, is repealed and the following enacted in its place:

§664. Compliance required

By reason of the declaration of policy set forth in section 661 and in the protection of the industry or business and in the enhancement of public interest, health, safety and welfare, an employer may not employ any employee at a wage rate of less than \$4.25 per hour, except as otherwise provided in this subchapter.

1. Adjustments. Except as provided in this subsection, on the first day of January of each year, beginning in 1993, the minimum wage under this section is adjusted by a percentage increase or decrease equal to the percentage change in the state average weekly wage for the 2nd previous calendar year, as computed by the Bureau of Employment Security.

A. The Bureau of Labor Standards shall calculate and announce the adjustment to be made under this subsection for the succeeding year as soon as the necessary data is available.

B. An adjustment made under this subsection may not exceed 5% in any single year.

2 C. Any adjustment made under this subsection must be
3 rounded off to the nearest 5¢ increment, except that if this
4 requirement would result in an adjustment exceeding 5%, the
5 adjustment must be rounded off to the next lower 5¢
6 increment.

7 D. If the highest federal minimum wage is increased in
8 excess of the minimum wage established under this section,
9 the minimum wage is increased to the same amount, effective
10 on the same date as the increase in the highest federal
11 minimum wage. This increased minimum wage rate is subject
12 to annual adjustment under this subsection except that no
13 adjustment may be made in the year immediately following an
14 increase under this paragraph.

15 2. Service employees. In determining the wage of a service
16 employee, the amount paid that employee by the employer is deemed
17 to be increased on account of tips by an amount determined by the
18 employer, but not by an amount greater than the minimum hourly
19 wage established under this section, minus \$2.07 per hour, except
20 that:

21 A. If an employee, either personally or acting through a
22 representative, shows to the satisfaction of the director
23 that the actual amount of tips received by the employee was
24 less than the amount determined by the employer as the
25 amount by which the wage paid the employee was deemed to be
26 increased, the amount paid that employee by the employer is
27 deemed to have been increased by the lesser amount; or

28 B. If the tipping credit established under federal law is
29 changed to an amount that results in an actual minimum paid
30 wage in excess of \$2.07 per hour for service employees, the
31 credit applied under this subsection is changed to the same
32 amount, effective on the same date as the change in the
33 federal tipping credit.

34 3. Students under 19 years of age. An employer may pay an
35 employee who is under 19 years of age and regularly enrolled in
36 an educational institution or on vacation from an educational
37 institution a rate lower than that otherwise required in this
38 section but not less than 75% of the minimum wage rate required
39 for other employees in the same occupation.

40 4. Overtime work. An employer may not require any employee
41 to work more than 40 hours in one week, unless 1 1/2 times the
42 regular hourly rate is paid for all work done over 40 hours in
43 any one week. This subsection does not apply to:

44 A. Mariners;

2 B. The canning, processing, preserving, freezing, drying,
marketing, storing, packing for shipment or distribution of:

4 (1) Herring as sardines;

6 (2) Perishable foods;

8 (3) Agricultural produce;

10 (4) Meat products; or

12 (5) Fish products;

14 C. The canning of other perishable goods;

16 D. Hotels or motels;

18 E. Restaurants and other eating establishments;

20 F. Public employees; or

22 G. Automobile mechanics or automobile sales representatives.

24 **Sec. 2. Effective date.** This Act takes effect on April 1, 1991.

26
28 **FISCAL NOTE**

30 The Bureau of Labor Standards may require future additional
32 General Fund appropriations annually, beginning in fiscal year
34 1992-93, of approximately \$15,000 to print and distribute the
minimum wage poster to workplaces in the State. This cost would
be incurred in each year that the state minimum wage is adjusted
above the federal minimum wage.'

36
38 **STATEMENT OF FACT**

40 This amendment replaces the bill and provides for annual
42 adjustments to the state minimum wage to maintain the basic wage
44 rate, in terms of real purchasing power, as established by
46 federal law on April 1, 1991. The amendment has a delayed
48 effective date of April 1, 1991, to coincide with the increase of
50 the federal minimum wage to \$4.25. No adjustment is made to this
level in 1992 since the increased wage rate will have just taken
effect in the prior year. Beginning on January 1, 1993, the
minimum wage rate is adjusted annually by a percentage increase
or decrease equal to the percentage change in the state average
weekly wage for the 2nd previous year. This is the most recent
year for which a full calendar year's data will be available.
This adjustment is subject to 3 limitations. First, the

COMMITTEE AMENDMENT "A" to H.P. 1646, L.D. 2279

2 adjustment may not exceed 5% in any single year. Second, the
adjustment must be rounded off to the nearest 5¢ increment.
4 Finally, if the federal minimum wage is increased in the future
to a rate above the state level, the state minimum wage is
6 increased to the same amount and the succeeding year's adjustment
is not made since the new federal wage establishes a new "base
rate" from which future adjustments will be calculated.

8
10 The amendment is intended to protect the purchasing power of
minimum wage workers and to remove the subject of future
adjustments from the political arena by eliminating the need for
12 periodic adjustments to the law by the Legislature.

Reported by the Majority of the Committee on Labor
Reproduced and distributed under the direction of the Clerk of the House
3/30/90 (Filing No. H-1046)