

# MAINE STATE LEGISLATURE

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L.D. 143

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MAJORITY  
LABOR

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
117TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 108, L.D. 143, Bill, "An Act to Increase the Minimum Wage in Maine"

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'Sec. 1. 26 MRSA §664, as amended by PL 1993, c. 434, §1 and affected by §8, is repealed and the following enacted in its place:

**§664. Minimum wage; overtime rate**

Except as otherwise provided in this subchapter, an employer may not employ any employee at a rate less than the rates required by this section.

1. Minimum wage. The minimum hourly wage is \$4.25 per hour. Effective January 1, 1996, the minimum wage is \$4.60 per hour. Effective January 1, 1997, the minimum wage is \$5.00 per hour. If the highest federal minimum wage is increased in excess of the minimum wage established under this section, the minimum wage must be increased to the same amount, effective on the same date as the increase in the federal minimum wage, but in no case may the minimum wage exceed \$5.15 per hour.

2. Tip credit. An employer may consider tips as part of the wages of a service employee, but such a tip credit may not exceed 50% of the minimum hourly wage established in this section. An employer who elects to use the tip credit must inform the affected employee in advance and must be able to show that the

**COMMITTEE AMENDMENT**

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2 employee receives at least the minimum hourly wage when direct  
3 wages and the tip credit are combined. Upon a satisfactory  
4 showing by the employee or the employee's representative that the  
5 actual tips received were less than the tip credit, the employer  
6 shall increase the direct wages by the difference.

7  
8 3. Overtime rate. An employer may not require an employee  
9 to work more than 40 hours in any one week unless 1 1/2 times the  
10 regular hourly rate is paid for all hours actually worked in  
11 excess of 40 hours in that week. The regular hourly rate  
12 includes all earnings, bonuses, commissions and other  
13 compensation that is paid or due based on actual work performance.

14 The overtime provision of this section does not apply to:

15 A. Automobile mechanics, automobile parts clerks and  
16 automobile salesmen as defined in section 663;

17 B. Hotels and motels;

18 C. Mariners;

19 D. Public employees;

20 E. Restaurants and other eating establishments; and

21 F. The canning, processing, preserving, freezing, drying,  
22 marketing, storing, packing for shipment or distribution of:

23 (1) Agricultural produce;

24 (2) Meat and fish products; and

25 (3) Perishable foods.

26  
27 **Sec. 2. Appropriation.** The following funds are appropriated  
28 from the General Fund to carry out the purposes of this Act.

1995-96

29 **LABOR, DEPARTMENT OF**

30 **Bureau of Labor Standards**

31 All Other \$11,259

32 Provides funds to cover the costs of  
33 revising the minimum wage poster.'

RdS

2 Further amend the bill by inserting at the end before the  
statement of fact the following:

4 **FISCAL NOTE**

6 **1995-96**

8 **APPROPRIATIONS/ALLOCATIONS**

10 General Fund \$11,259

12 This bill amends the state minimum wage and places  
14 additional responsibilities on the Department of Labor, Bureau of  
Labor Standards in the area of required distribution of posters.  
16 A General Fund appropriation of \$11,259 in fiscal year 1995-96 is  
required for publishing costs and other operating expenses  
related to revising the minimum wage poster.

18 The increases in the minimum wage may result in increased  
20 costs to municipalities if there are school and other public  
employees who are compensated at less than the higher minimum  
22 wage levels. Increased school expenses may increase funding  
requests for the General Purpose Aid for Local Schools program.'

26 **STATEMENT OF FACT**

28 This amendment is the majority report of the committee. It  
replaces the original bill and restructures the entire section on  
30 the state minimum wage. Under current law, the state minimum  
wage increases to whatever level is established for the federal  
32 minimum wage, up to a maximum of \$5.00 per hour. The current  
federal and state minimum wage is \$4.25 per hour. The amendment  
34 provides that the state minimum wage will increase to \$4.60 per  
hour in 1996 and \$5.00 per hour in 1997 or to the level of the  
36 federal minimum wage, if that is higher, up to a maximum of \$5.15  
per hour. The amendment also restructures the entire section so  
38 that the provisions on minimum wage, tips and overtime are  
presented in a clearer format. The amendment also adds a fiscal  
40 note.