

# MAINE STATE LEGISLATURE

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MAJORITY  
LABOR

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
118TH LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 462, L.D. 633, Bill, "An Act to Provide a Cost-of-living Adjustment to Minimum Wage Earners"

Amend the bill by striking out all of section 2 and inserting in its place the following:

'Sec. 2. 26 MRSA §664, sub-§1, as enacted by PL 1995, c. 305, §1, is amended to read:

1. **Minimum wage.** The minimum hourly wage is ~~\$4.25~~ \$5.15 per hour. Beginning January 1, 1999, the minimum wage is \$5.40 per hour. Every 3rd January 1st thereafter, the minimum wage must be increased by the cumulative percent increase, if any, in the Consumer Price Index over the 3 previous Septembers. Any increase must be rounded to the nearest 5¢. If the highest federal minimum wage is increased in excess of \$4.25-per-hour the minimum wage established by this subsection, 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. In that case, the next minimum wage increase based on the Consumer Price Index may not occur until 3 years after the January 1st following the date the minimum wage was increased to match the federal minimum wage.

**Sec. 3 Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

COMMITTEE AMENDMENT

1998-99

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**LABOR, DEPARTMENT OF**

**Regulation and Enforcement**

All Other \$11,259

Appropriates funds for the costs of revising the minimum wage poster.'

Further amend the bill by inserting at the end before the summary the following:

**FISCAL NOTE**

1998-99

**APPROPRIATIONS/ALLOCATIONS**

General Fund \$11,259

This bill will require the revision of the minimum wage poster by the Department of Labor, Bureau of Labor Standards. A General Fund appropriation of \$11,259 in fiscal year 1998-99 will be required for printing and mailing costs. If other bills are enacted that also require annual changes to this poster, the costs properly allocated to this bill can be reduced. The minimum wage poster may also have to be revised in the future as soon as fiscal year 2001-02, if the federal minimum wage is not adjusted and the automatic Consumer Price Index adjustment takes effect.'

**SUMMARY**

This amendment establishes a minimum wage of \$5.40 beginning January 1, 1999. Every 3 years thereafter, the minimum wage is automatically increased by the cumulative increase in the Consumer Price Index over the 3 previous Septembers. If the federal minimum wage exceeds the minimum wage in effect during a 3-year cycle, the minimum wage must be raised to the federal level. The next increase based on the Consumer Price Index would not occur until 3 years after the January 1st following that increase. The amendment also specifies that increases in the minimum wage must be rounded to the nearest nickel. The amendment also adds an appropriation and a fiscal note to the bill.