

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 840

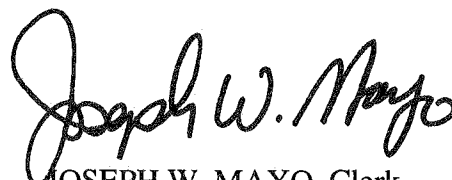
H.P. 615

House of Representatives, February 6, 1997

**An Act to Have State Wage Laws Conform with the Federal Small  
Business Job Protection Act of 1996.**

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Reference to the Committee on Labor suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative CARLETON of Wells.  
Cosponsored by Representatives: JOY of Crystal, JOYCE of Biddeford, MACK of Standish,  
WINSOR of Norway.

2 **Be it enacted by the People of the State of Maine as follows:**

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

6 **2. Tip credit.** An employer may consider tips as part of the  
8 wages of a service employee, but such a tip credit may not exceed  
50% of the minimum hourly wage established in this section or the  
10 tip credit allowed under federal law, whichever is greater. An  
12 employer who elects to use the tip credit must inform the  
14 affected employee in advance and must be able to show that the  
16 employee receives at least the minimum hourly wage when direct  
wages and the tip credit are combined. Upon a satisfactory  
showing by the employee or the employee's representative that the  
actual tips received were less than the tip credit, the employer  
shall increase the direct wages by the difference.

18 **Sec. 2. 26 MRSA §664, sub-§4** is enacted to read:

20 **4. Opportunity wage.** An employer may pay an employee under  
22 20 years of age a wage of not less than \$4.25 an hour during the  
24 first 90 consecutive calendar days after that employee is  
26 initially employed by that employer. An employer may not take  
28 any action to displace an employee or to reduce hours, wages or  
30 employment benefits for the purpose of hiring an individual at  
32 the wage authorized by this subsection. An employer who violates  
34 this subsection is liable under sections 670 and 671 and is  
liable for any other legal or equitable relief the court  
considers appropriate. An employer convicted of willfully  
violating this subsection is subject to a fine of not more than  
\$10,000 or to imprisonment for not more than 6 months, or both.  
Imprisonment under this subsection may be imposed only if the  
person has previously been convicted of an offense under this  
subsection.

36 **Sec. 3. Review of Small Business Job Protection Act of 1996.** The  
38 Department of Labor and the Department of Administrative and  
40 Financial Services, Bureau of Taxation shall review the  
42 provisions of the federal Small Business Job Protection Act of  
44 1996, Public Law 104-88, to determine the financial and policy  
implications of amending Maine law to conform with that act. The  
departments shall jointly report to the Joint Standing Committee  
on Labor and the Joint Standing Committee on Taxation by December  
1, 1997 and shall submit any legislation necessary to implement  
their recommendations.

48 **SUMMARY**

50 This bill amends Maine law to parallel changes that were  
recently made to federal wage laws in the Small Business Job

2 Protection Act of 1996. The bill makes the required wage for  
3 tipped employees the same as required under federal law. The  
4 bill also permits the payment of an opportunity wage of \$4.25 an  
5 hour to certain employees under 20 years of age for the first 90  
6 days of employment. The bill requires the Department of Labor  
7 and the Department of Administrative and Financial Services,  
8 Bureau of Taxation to review the entire Small Business Job  
9 Protection Act of 1996 and report to the Joint Standing Committee  
10 on Labor and the Joint Standing Committee on Taxation on the  
11 financial and policy implications of amending Maine law to  
12 further conform with the federal act.