MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION-2007

Legislative Document	No. 1653
H.P. 1162	House of Representatives, March 22, 2007

An Act To Prevent Real Minimum Wages from Falling

Reference to the Committee on Labor suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND
Clerk

Presented by Representative HINCK of Portland.
Cosponsored by Senator BRYANT of Oxford and
Representatives: BEAUDOIN of Biddeford, BEAULIEU of Auburn, BURNS of Berwick,
CASAVANT of Biddeford, FAIRCLOTH of Bangor, PIOTTI of Unity, Senators: DAMON of
Hancock, MARTIN of Aroostook.

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

2   **Sec. 1. 26 MRSA §663, sub-§14** is enacted to read:

3   **14. Consumer price index.** "Consumer price index" means the Consumer Price
4   Index for Urban Wage Earners and Clerical Workers, CPI-W, for the Northeast Region,
5   or successor index, as published by the United States Department of Labor, Bureau of
6   Labor Statistics.

7   **Sec. 2. 26 MRSA §663, sub-§15** is enacted to read:

8   **15. Inflation-adjusted minimum hourly wage.** "Inflation-adjusted minimum
9   hourly wage" means the minimum hourly wage adjusted for increases in the consumer
10   price index. The inflation-adjusted minimum hourly wage is calculated annually by the
11   bureau in accordance with section 664, subsection 1-A.

12   **Sec. 3. 26 MRSA §664, sub-§1,** as amended by PL 2005, c. 578, §1, is further
13   amended to read:

14   **1. Minimum wage.** The minimum hourly wage is ~~$6.50~~ $6.75 per hour. ~~Starting~~
15   ~~October 1, 2006, the minimum hourly wage is $6.75 per hour.~~ Starting October 1, 2007,
16   the minimum hourly wage is $7.00 per hour. Starting January 1, 2008 and on January 1st
17   of each year thereafter, the minimum hourly wage is the inflation-adjusted minimum
18   hourly wage calculated in accordance with subsection 1-A. If the highest federal
19   minimum wage is increased in excess of the minimum wage in effect under this section,
20   the minimum wage under this section is increased to the same amount, effective on the
21   same date as the increase in the federal minimum wage, but in no case may the minimum
22   wage exceed the minimum wage otherwise in effect under this section by more than $1
23   per hour.

24   **Sec. 4. 26 MRSA §664, sub-§1-A** is enacted to read:

25   **1-A. Minimum wage; inflation adjustment.** No later than November 1, 2007 and
26   on November 1st of each year thereafter, the Department of Labor shall calculate the
27   inflation-adjusted minimum hourly wage for the following calendar year. The
28   department shall specify by rule a methodology for calculation of the inflation-adjusted
29   minimum hourly wage. The methodology must:

30   A. Use the consumer price index to calculate inflation; and

31   B. Exclude from the calculation of inflation any month in which the seasonally
32   adjusted unemployment rate for the State exceeds the seasonally adjusted
33   unemployment rate for the United States, as published by the United States
34   Department of Labor, Bureau of Labor Statistics.

35   Each inflation-adjusted minimum hourly wage calculated under this subsection takes
36   effect on January 1st of the following year. The department shall adopt rules to
37   implement this subsection. Rules adopted pursuant to this subsection are routine
38   technical rules as defined in Title 5, chapter 375, subchapter 2-A.

1	**SUMMARY**

2   This bill provides for the state minimum hourly wage to be adjusted for inflation
3   beginning January 1, 2008 and annually thereafter. The bill requires the Department of
4   Labor to calculate the inflation-adjusted minimum hourly wage based on changes in the
5   consumer price index and to exclude from the calculation any month in which the State's
6   unemployment rate exceeds the national unemployment rate.