

MAINE STATE LEGISLATURE

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LABOR

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STATE OF MAINE

SENATE

123RD LEGISLATURE

SECOND REGULAR SESSION

Majority

COMMITTEE AMENDMENT "A" to S.P. 604, L.D. 1697, Bill, "An Act To Ensure Fair Wages"

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

'Sec. 2. 26 MRSA §663, sub-§3, ¶B, as amended by PL 2007, c. 22, §1, is repealed.'

Amend the bill in section 4 by striking out all of subsection 1 and inserting the following:

'1. Minimum wage. The minimum hourly wage is \$6.50 per hour. Starting October 1, 2006, the minimum hourly wage is \$6.75 per hour. Starting October 1, 2007, the minimum hourly wage is \$7.00 per hour. Starting October 1, 2008, the minimum hourly wage is \$7.35 per hour. Starting October 1, 2009, the minimum hourly wage is \$7.70 per hour. Starting October 1, 2010, the minimum hourly wage is \$8.00 per hour. On September 30, 2010 and on September 30th of each year thereafter, the Department of Labor shall calculate an adjusted minimum wage rate to maintain employee purchasing power. The adjusted minimum wage must be calculated to the nearest cent using the Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W, or a successor index, for the 12 months prior to each September 1st, as calculated by the United States Department of Labor. Each adjusted minimum wage rate so calculated takes effect January 1st of the following year. If the highest federal minimum wage is increased in excess of the minimum wage in effect under this section, the minimum wage under this section is 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 the minimum wage otherwise in effect under this section by more than \$1 per hour.'

Amend the bill by striking out all of section 5.

Amend the bill by inserting before the summary the following:

COMMITTEE AMENDMENT

1 **Sec. 10. Appropriations and allocations.** The following appropriations and
2 allocations are made.

3 **LABOR, DEPARTMENT OF**

4 **Administration - Bureau of Labor Standards 0158**

5 Initiative: Appropriates ongoing funds for one Labor and Safety Inspector position and
6 related All Other to provide additional support for the expected increase in the number of
7 inspections and investigations associated with the removal of several major exemptions
8 from the minimum wage and overtime provisions.

9

10 GENERAL FUND	2007-08	2008-09
11 POSITIONS - LEGISLATIVE	0.000	1.000
12 COUNT		
13 Personal Services	\$0	\$49,837
14 All Other	\$0	\$5,000
15		
16 GENERAL FUND TOTAL	<hr/> \$0	<hr/> \$54,837

17

18 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
19 section number to read consecutively.

20

SUMMARY

21 This amendment, which is the majority report of the Joint Standing Committee on
22 Labor, does the following.

23 1. It lessens the increase in the minimum wage proposed in the bill. Rather than
24 raising the minimum wage to \$7.70 per hour in 2008 and to \$8.40 per hour in 2009, the
25 amendment raises the minimum wage to \$7.35 per hour in 2008, to \$7.70 per hour in
26 2009 and to \$8.00 per hour in 2010.

27 2. It amends the date to begin the calculation of the adjusted minimum wage rate
28 using the Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W,
29 from September 30, 2009 to September 30, 2010.

30 3. It removes the bill's proposed changes to the tip credit an employer may consider
31 as part of the wages of a service employee.

32

FISCAL NOTE REQUIRED

33

(See attached)



123rd MAINE LEGISLATURE

LD 1697

LR 226(02)

An Act To Ensure Fair Wages

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Labor

Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Net Cost (Savings)				
General Fund	\$0	(\$42,963)	(\$37,513)	(\$34,659)
Appropriations/Allocations				
General Fund	\$0	\$54,837	\$60,287	\$63,141
Revenue				
General Fund	\$0	\$97,800	\$97,800	\$97,800

Fiscal Detail and Notes

This bill includes a General Fund appropriation of \$54,837 in fiscal year 2008-09 to the Bureau of Labor Standards within the Department of Labor for one Labor and Safety Inspector position and related All Other costs associated with providing support for additional inspections and investigations that may be required by the removal of exemptions from the minimum wage and overtime provisions.

This legislation also increases the amount of fines and penalties that may be assessed on employers who violate the minimum wage and overtime laws and provides that 90% is paid to the State and 10% to the affected employee. The increase in General Fund revenue is estimated to be \$97,800 annually, beginning in fiscal year 2008-09.