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Legislative Document

No. 1757

H.P. 1210

House of Representatives, December 22, 2017

An Act To Protect Maine's Economy by Slowing the Rate at Which the State's Minimum Wage Will Increase and Establishing a Training and Youth Wage

(EMERGENCY)

Submitted by the Department of Labor pursuant to Joint Rule 203.

Received by the Clerk of the House on December 20, 2017. Referred to the Committee on Labor, Commerce, Research and Economic Development pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative STETKIS of Canaan. Cosponsored by Representatives: CRAIG of Brewer, GILLWAY of Searsport, HANLEY of Pittston, HILLIARD of Belgrade, PICCHIOTTI of Fairfield, SUTTON of Warren.

- 1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not 2 become effective until 90 days after adjournment unless enacted as emergencies; and
- 3 **Whereas,** the increases in the rate of the minimum wage scheduled to take effect 4 over the next 4 years could have a detrimental effect on the economy of the State; and

5 **Whereas,** in the judgment of the Legislature, these facts create an emergency within 6 the meaning of the Constitution of Maine and require the following legislation as 7 immediately necessary for the preservation of the public peace, health and safety; now, 8 therefore,

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

10 Sec. 1. 26 MRSA §664, sub-§1, as amended by IB 2015, c. 2, §1, is further 11 amended to read:

12 1. Minimum wage. The minimum hourly wage is \$7.50 per hour. Starting January 13 1, 2017, the minimum hourly wage is \$9.00 per hour; starting January 1, 2018. Starting 14 June 1, 2018, the minimum hourly wage is \$10.00 \$9.50 per hour; starting January 1, 2019, the minimum hourly wage is \$11.00 \$10.00 per hour; and starting January 1, 2020, 15 16 the minimum hourly wage is \$12.00 \$10.50 per hour. On ; and starting January 1, 2021 17 and each January 1st thereafter, the minimum hourly wage then in effect must be 18 increased by the increase, if any, in the cost of living. The increase in the cost of living 19 must be measured by the percentage increase, if any, as of August of the previous year 20 over the level as of August of the year preceding that year in the Consumer Price Index 21 for Urban Wage Earners and Clerical Workers, CPI-W, for the Northeast Region, or its 22 successor index, as published by the United States Department of Labor, Bureau of Labor 23 Statistics or its successor agency, with the amount of the minimum wage increase 24 rounded to the nearest multiple of 5ϕ , the minimum hourly wage is \$11.00. If the highest 25 federal minimum wage is increased in excess of the minimum wage in effect under this 26 section, the minimum wage under this section is increased to the same amount, effective 27 on the same date as the increase in the federal minimum wage, and must be increased in 28 accordance with this section thereafter but in no case may the minimum wage exceed the 29 minimum wage otherwise in effect under this section by more than \$1.00 per hour.

30 Sec. 2. 26 MRSA §664, sub-§1-A is enacted to read:

31 1-A. Minimum wage for training and youths. Notwithstanding subsection 1, the following minimum hourly wage may be paid to the following employees: 32 33 A. For the first 90 consecutive days of employment of an employee who is at least 34 18 years of age but under 20 years of age, a training wage that is the greater of: 35 (1) Eighty percent of the minimum wage in effect pursuant to subsection 1, rounded to the nearest 5 cents; and 36 37 (2) The minimum wage required by the federal Fair Labor Standards Act; and 38 B. For an employee who has not attained 18 years of age, a youth wage that is the 39 greater of:

1 2	(1) Eighty percent of the minimum wage in effect pursuant to subsection 1, rounded to the nearest 5 cents; and
3	(2) The minimum wage required by the federal Fair Labor Standards Act.
4 5	Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.
6	SUMMARY
7	This bill affects the minimum wage by:
8 9	1. Reducing the minimum wage from \$10 per hour to \$9.50 per hour beginning June 1, 2018;
10 11 12 13	2. Reducing the amount by which the minimum hourly wage rates are scheduled to increase annually on January 1st from 2019 to 2021 from \$1 per year to 50 cents per year, and decreasing from \$12 to \$11 the minimum hourly wage rate required to be paid in 2021;
14	3. Eliminating the cost-of-living adjustment to the minimum wage; and
15 16 17	4. Establishing a training minimum wage for employees 18 years of age or older and under 20 years of age for the first 90 days of employment and a youth minimum wage for employees under 18 years of age.