

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 998

H.P. 634

House of Representatives, March 7, 2023

**An Act to Remove the Cost-of-living Adjustment from the Minimum
Wage Laws**

Reference to the Committee on Labor and Housing suggested and ordered printed.

Robert B. Hunt
ROBERT B. HUNT
Clerk

Presented by Representative FOSTER of Dexter.
Cosponsored by Senator HARRINGTON of York, Senator STEWART of Aroostook and
Representatives: JAVNER of Chester, MORRIS of Turner, Senator: LIBBY of Cumberland.

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

2 **Sec. 1. 22 MRSA §7402, sub-§1**, as enacted by PL 2021, c. 398, Pt. AAAA, §1, is
3 amended to read:

4 **1. At least 125% of the minimum wage.** An amount equal to at least 125% of the
5 minimum wage established in Title 26, section 664, subsection 1 for the labor portion of
6 the reimbursement rate. ~~An increase to the minimum wage must be applied to the~~
7 ~~reimbursement rate at the time the increase takes place; and~~

8 **Sec. 2. 22 MRSA §7402, sub-§2**, as enacted by PL 2021, c. 398, Pt. AAAA, §1, is
9 amended to read:

10 **2. Taxes and benefits.** An amount necessary to reimburse the provider for taxes and
11 benefits paid or costs incurred by the provider that are directly related to the reimbursed
12 wage increase in subsection 1. ~~This amount must be adjusted whenever an increase to the~~
13 ~~minimum wage is applied to the reimbursement rate under subsection 1.~~

14 **Sec. 3. 26 MRSA §664, sub-§1**, as amended by IB 2015, c. 2, §1, is further
15 amended to read:

16 **1. Minimum wage.** The minimum hourly wage is \$7.50 per hour. ~~Starting January~~
17 ~~1, 2017, the minimum hourly wage is \$9.00 per hour; starting January 1, 2018, the~~
18 ~~minimum hourly wage is \$10.00 per hour; starting January 1, 2019, the minimum hourly~~
19 ~~wage is \$11.00 per hour; and starting January 1, 2020, the minimum hourly wage is \$12.00~~
20 ~~\$13.80 per hour. On January 1, 2021 and each January 1st thereafter, the minimum hourly~~
21 ~~wage then in effect must be increased by the increase, if any, in the cost of living. The~~
22 ~~increase in the cost of living must be measured by the percentage increase, if any, as of~~
23 ~~August of the previous year over the level as of August of the year preceding that year in~~
24 ~~the Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W, for the~~
25 ~~Northeast Region, or its successor index, as published by the United States Department of~~
26 ~~Labor, Bureau of Labor Statistics or its successor agency, with the amount of the minimum~~
27 ~~wage increase rounded to the nearest multiple of 5¢. If the highest federal minimum wage~~
28 ~~is increased in excess of the minimum wage in effect under this section, the minimum wage~~
29 ~~under this section is increased to the same amount, effective on the same date as the~~
30 ~~increase in the federal minimum wage, and must be increased in accordance with this~~
31 ~~section thereafter.~~

32 **Sec. 4. 36 MRSA §5217-E, sub-§1, ¶E**, as enacted by PL 2021, c. 635, Pt. H, §15,
33 is amended by amending subparagraph (3) to read:

34 (3) During the taxable year had earned income of at least the state minimum wage,
35 as set out in Title 26, section 664, subsection 1, as ~~adjusted for cost of living~~
36 ~~increases, as determined on January 1st of the taxable year, multiplied by 936~~
37 ~~hours. The assessor may adopt rules reducing this amount if a portion of the~~
38 ~~taxable year falls within a disaster period. Rules adopted pursuant to this~~
39 ~~subparagraph are routine technical rules pursuant to Title 5, chapter 375,~~
40 ~~subchapter 2-A.~~

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SUMMARY

This bill sets the minimum hourly wage at \$13.80 per hour and removes the requirement that each January 1st the minimum hourly wage be increased by the increase, if any, in the cost of living. It also corrects provisions in law that reference the annual increase to the minimum hourly wage.