

SB 136-FN - AS INTRODUCED

2021 SESSION

21-1053

04/06

SENATE BILL        ***136-FN***

AN ACT            relative to the state minimum hourly rate.

SPONSORS:        Sen. Soucy, Dist 18; Sen. D'Allesandro, Dist 20; Sen. Perkins Kwoka, Dist 21; Sen. Watters, Dist 4; Sen. Rosenwald, Dist 13; Sen. Whitley, Dist 15; Sen. Cavanaugh, Dist 16; Sen. Prentiss, Dist 5; Sen. Sherman, Dist 24

COMMITTEE:      Commerce

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ANALYSIS

This bill sets the minimum hourly rate paid to employees. The bill also amends the minimum hourly rate for tipped employees.

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Explanation:     Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears ~~[in brackets and struckthrough.]~~  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty One*

AN ACT relative to the state minimum hourly rate.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 Minimum Hourly Rate. Amend the introductory paragraph of RSA 279:21 to read as follows:  
2 279:21 Minimum Hourly Rate. Unless otherwise provided by statute, no person, firm, or  
3 corporation shall employ any employee at an hourly rate lower than that set forth in the federal  
4 minimum wage law, as amended ***or the following, whichever is higher:***

5 ***From January 1, 2022 to December 31, 2023, \$10 per hour.***

6 ***From January 1, 2024 and thereafter, \$12 per hour.***

7 Tipped employees of a restaurant, hotel, motel, inn or cabin, or ballroom who customarily and  
8 regularly receive more than \$30 a month in tips directly from the customers will receive a base rate  
9 from the employer of not less than [45] **35** percent of the applicable minimum wage. If an employee  
10 shows to the satisfaction of the commissioner that the actual amount of wages received at the end of  
11 each pay period did not equal [the minimum wage] **\$12 per hour** for all hours worked, the employer  
12 shall pay the employee the difference to guarantee the [applicable minimum wage] **\$12 hourly rate.**

13 ***Tipped employees who are licensed as secondary game operators pursuant to RSA 287-D***  
14 ***and who customarily and regularly receive more than \$30 a month in tips directly from the***  
15 ***customers, will receive a base rate from the employer of not less than \$7.25 per hour. If***  
16 ***such an employee shows to the satisfaction of the commissioner that the actual amount of***  
17 ***wages received at the end of each pay period did not equal \$12 per hour for all hours***  
18 ***worked, the employer shall pay the employee the difference to guarantee the \$12 hourly***  
19 ***rate.***

20 The limitations imposed hereby shall be subject to the following exceptions:

21 2 Effective Date. This act shall take effect January 1, 2022.

**SB 136-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to the state minimum hourly rate.

**FISCAL IMPACT:**     State             County             Local             None

STATE:	Estimated Increase / (Decrease)			
	FY 2021	FY 2022	FY 2023	FY 2024
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	Indeterminable Increase
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General Government Funds	<input type="checkbox"/> Education	<input type="checkbox"/> Highway	<input checked="" type="checkbox"/> Other - Various

**LOCAL:**

<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

**METHODOLOGY:**

This bill sets the minimum hourly rate paid to employees and also amends the minimum hourly rate for tipped employees.

The Department of Administrative Services indicates this bill would increase the State minimum hourly wage to \$10.00 per hour, effective January 1, 2022 and to \$12.00 per hour, effective January 1, 2024. The bill would require State, county and municipal employers to increase the rate of pay for any employee below the new minimum hourly wage. This would result in either increased salary and benefit-related expenditures or a reduction in staff to offset the cost. The cost to State government would depend on how State agencies respond based on their staffing needs. Possible responses might include:

- Reassignment of staff to higher labor grades or salary steps;
- Reducing the number of positions ("reduction in force");
- Reassessment or consolidation of job classifications within the impacted labor grades;
- Renegotiation with unions of all applicable wage schedules. Such renegotiations would likely involve adjustments to all labor grades and steps to reflect equitable scaling of pay.

The Department states potential cost of the bill is indeterminable due to the unknown impact of future wage negotiations on current wage schedules, and agency-specific responses to the

increased costs. An across-the-board increase in hourly wages for all positions to ensure compliance with the proposed minimum wage increase (including a commensurate increase in wages for higher labor grades) would result in greater cost to State agencies than eliminating those steps in lower labor grades that fall below the proposed wages.

The Department provided information on the current number of classified full-time and part-time positions potentially affected by the proposed change in minimum hourly wage. Under the current wage schedules, no positions would fall below the proposed minimum wage of \$10.00 effective on January 1, 2022. In 2024, under the current wage schedules, up to 659 current positions could be impacted. The table below summarizes the data.

Fiscal Year	Minimum Wage	Classified Positions filled as of December 20 below the new minimum	Affected Labor Grades & Steps (Includes positions such as Laborer, Clerk and Lifeguard)
2022 & 2023	\$10.00	None	None
2024	\$12.00	659	Labor grade 1, steps 1 through 4, Labor Grade 2, steps 1 through 3, Labor Grade 3, steps 1 and 2, Labor Grade 4, steps 1

The New Hampshire Municipal Association indicates this bill would cause an increase in wages, and thus an increase in municipal expenditures, for any municipal employee being paid less than the newer minimums as they take effect. The Association does not have sufficient information to determine how many employees would be affected or what the amounts of the increases would be. There should be no effect on municipal revenues.

The New Hampshire Association of Counties states this bill would have no fiscal impact on county revenues or expenditures.

**AGENCIES CONTACTED:**

Department of Administrative Services, New Hampshire Municipal Association and New Hampshire Association of Counties