

HB 57-FN - AS INTRODUCED

2023 SESSION

23-0007

05/04

HOUSE BILL

57-FN

AN ACT relative to the state minimum hourly rate.

SPONSORS: Rep. Schultz, Merr. 29; Rep. Ellison, Merr. 28; Rep. Harriott-Gathright, Hills. 10; Rep. Bouchard, Hills. 24; Rep. Levesque, Straf. 4; Rep. Kenney, Straf. 10; Rep. Wilhelm, Hills. 40; Rep. Adjutant, Graf. 16; Rep. Staub, Hills. 25; Rep. Seibert, Hills. 21; Sen. Whitley, Dist 15

COMMITTEE: Labor, Industrial and Rehabilitative Services

ANALYSIS

This bill increases the minimum hourly rate, increases the base rate for tipped employees, and adjusts both rates annually based on the most recent 12-month average of the consumer price index. The bill also requires a youth minimum wage for employees under 18 years of age.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Three

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 minimum hourly rate, whichever is higher:***
5 ***\$13.50 per hour effective September 1, 2023.***
6 ***\$14.25 per hour effective January 1, 2024.***
7 ***\$15 per hour effective January 1, 2025.***
8 ***Beginning January 1, 2026, and each January 1 thereafter, the minimum hourly rate***
9 ***for employees and the base rate for tipped employees shall be adjusted according to the***
10 ***increase in the cost of living according to the Northeast consumer price index for the most***
11 ***recent 12-month period as determined by the United States Department of Labor, Bureau of***
12 ***Labor Statistics. The adjustment to the minimum hourly rate for employees and the base***
13 ***rate for tipped employees shall not result in a decrease to either rate.***
14 Tipped employees of a restaurant, hotel, motel, inn or cabin, or ballroom who customarily and
15 regularly receive more than \$30 a month in tips directly from the customers will receive a base rate
16 from the employer of not less than [45] ***50*** percent of the applicable minimum [wage] ***hourly rate***. If
17 an employee shows to the satisfaction of the commissioner that the actual amount of wages received
18 at the end of each pay period did not equal the minimum [wage] ***hourly rate*** for all hours worked,
19 the employer shall pay the employee the difference to guarantee the applicable minimum [wage]
20 ***hourly rate***. The limitations imposed hereby shall be subject to the following exceptions:
21 2 New Paragraph; Minimum Hourly Rate; Youth Minimum Wage. Amend RSA 279:21 by
22 inserting after paragraph VIII the following new paragraph:
23 IX. The minimum hourly rate for a person under 18 years of age shall be \$8 per hour for the
24 first 6 months of employment, and thereafter shall increase to the minimum hourly rate applicable
25 under this section.
26 3 Effective Date. This act shall take effect July 1, 2023.

**HB 57-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 2023	FY 2024	FY 2025	FY 2026
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	<input checked="" type="checkbox"/> General Government Funds <input type="checkbox"/> Education <input checked="" type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Various			

COUNTY:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

LOCAL:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

METHODOLOGY:

This bill increases the minimum hourly rate, increases the base rate for tipped employees, and adjusts both rates annually based on the most recent 12-month average of the consumer price index. The bill also requires a youth minimum wage for employees under 18 years of age.

The Department of Administrative Services indicates the impact of this bill on the operations of State government would be relatively small. The Department estimates, by FY 2025, there would be 56 full-time employees and up to 1,685 part-time and seasonal employees affected by the changes in the hourly rate of pay. The Department states, while all government funds would be affected, 62% of the affected staff are employed by the Liquor Commission and the Department of Natural and Cultural Resources, Parks and Recreation Division. The Department provided an estimate of the fiscal impact on the executive branch agencies only using data on current hourly rates for the part-time and full-time employees, projected pay increases, and assumptions regarding the number of hours worked. Annual step increases were

considered for the full-time positions. Based on the Department's analysis, the additional state cost would be \$1,160,876 in FY 2024 (10 months), \$2,336,571 in FY 2025 and \$2,883,770 in FY 2026.

The New Hampshire Association of Counties states the impact of this bill on county expenditures is indeterminable because the number of minimum wage employees fluctuates with time and by county.

The New Hampshire Municipal Association states that it is possible this bill would result in additional costs to municipalities, but it is not possible to determine the amount of such additional cost. The necessity of employing low-wage workers varies year-to-year and by municipality.

AGENCIES CONTACTED:

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