

HB 684-FN - AS INTRODUCED

2015 SESSION

15-0860
06/10

HOUSE BILL **684-FN**

AN ACT establishing a state minimum hourly rate.

SPONSORS: Rep. Cilley, Straf 4; Rep. Rogers, Merr 28; Rep. Cahill, Rock 17; Rep. Cloutier,
Sull 10; Rep. Verschueren, Straf 13; Sen. Fuller Clark, Dist 21

COMMITTEE: Labor, Industrial and Rehabilitative Services

ANALYSIS

This bill establishes a state minimum hourly rate.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT establishing a state minimum hourly rate.

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

1 1 Minimum Hourly Rate; 2016. Amend the introductory paragraph of RSA 279:21 to read as
2 follows:

3 279:21 Minimum Hourly Rate. Unless otherwise provided by statute, no person, firm, or
4 corporation shall employ any employee at an hourly rate lower than **\$9.10 or** that set forth in the
5 federal minimum wage law, as amended. Tipped employees of a restaurant, hotel, motel, inn or
6 cabin, who customarily and regularly receive more than \$30 a month in tips directly from the
7 customers will receive a base *hourly* rate from the employer of not less than [~~45 percent of the~~
8 ~~applicable minimum wage~~] **\$4.35**. If an employee shows to the satisfaction of the commissioner that
9 the actual amount of wages received at the end of each pay period did not equal the minimum wage
10 for all hours worked, the employer shall pay the employee the difference to guarantee the applicable
11 minimum wage. The limitations imposed hereby shall be subject to the following exceptions:

12 2 Minimum Hourly Rate; 2017. Amend the introductory paragraph of RSA 279:21 to read as
13 follows:

14 279:21 Minimum Hourly Rate. Unless otherwise provided by statute, no person, firm, or
15 corporation shall employ any employee at an hourly rate lower than [~~\$9.10~~] **\$11.40** or that set forth
16 in the federal minimum wage law, as amended. Tipped employees of a restaurant, hotel, motel, inn
17 or cabin, who customarily and regularly receive more than \$30 a month in tips directly from the
18 customers will receive a base hourly rate from the employer of not less than [~~\$4.35~~] **\$6.55**. If an
19 employee shows to the satisfaction of the commissioner that the actual amount of wages received at
20 the end of each pay period did not equal the minimum wage for all hours worked, the employer shall
21 pay the employee the difference to guarantee the applicable minimum wage. The limitations
22 imposed hereby shall be subject to the following exceptions:

23 3 Minimum Hourly Rate; 2018. Amend the introductory paragraph of RSA 279:21 to read as
24 follows:

25 279:21 Minimum Hourly Rate. Unless otherwise provided by statute, no person, firm, or
26 corporation shall employ any employee at an hourly rate lower than [~~\$11.40~~] **\$14.25** or that set forth
27 in the federal minimum wage law, as amended. ***Beginning in January 2019 and each January***
28 ***thereafter, the commissioner shall adjust the minimum hourly rate then in effect based***
29 ***upon the increase in the cost of living. The increase in the cost of living shall be calculated***
30 ***using the 12-month percentage increase, if any, in the Consumer Price Index for all Urban***
31 ***Consumers, Northeast Region, or its successor index, as published by the Bureau of Labor***

1 *Statistics of the United States Department of Labor, for the most recent 12-month period for*
2 *which data is available at the time that the calculation is made.* Tipped employees of a
3 restaurant, hotel, motel, inn or cabin, who customarily and regularly receive more than \$30 a month
4 in tips directly from the customers will receive a base hourly rate from the employer of not less than
5 [~~\$6.55~~] **\$9.85**. If an employee shows to the satisfaction of the commissioner that the actual amount
6 of wages received at the end of each pay period did not equal the minimum wage for all hours
7 worked, the employer shall pay the employee the difference to guarantee the applicable minimum
8 wage. The limitations imposed hereby shall be subject to the following exceptions:

9 4 Minimum Hourly Rate. RSA 279:21 is repealed and reenacted to read as follows:

10 279:21 Minimum Hourly Rate. Unless otherwise provided by statute, no person, firm, or
11 corporation shall employ any employee, including tipped employees, at an hourly rate lower than
12 that set forth in the federal minimum wage law, as amended, or \$14.25 as adjusted annually by the
13 commissioner for any increase in the cost of living. The increase in the cost of living shall be
14 calculated using the 12-month percentage increase, if any, in the Consumer Price Index for all Urban
15 Consumers, Northeast Region, or its successor index, as published by the Bureau of Labor Statistics
16 of the United States Department of Labor, for the most recent 12-month period for which data is
17 available at the time that the calculation is made.

18 5 Effective Date.

19 I. Section 2 of this act shall take effect January 1, 2017.

20 II. Section 3 of this act shall take effect January 1, 2018.

21 III. Section 4 of this act shall take effect January 1, 2019.

22 IV. The remainder of this act shall take effect January 1, 2016.

HB 684-FN FISCAL NOTE

AN ACT establishing a state minimum hourly rate.

FISCAL IMPACT:

The Department of Administrative Services states this bill, **as introduced**, will increase state expenditures by \$1,379,812 in FY 2017, \$20,777,936 in FY 2018, and \$38,990,230 in FY 2019. The New Hampshire Association of Counties and New Hampshire Municipal Association state this bill will increase county and local expenditures by an indeterminable amount in FY 2016 and each year thereafter. There will be no fiscal impact on state, county and local revenue.

METHODOLOGY:

The Department of Administrative Services states this bill would increase the minimum wage to \$9.10 on January 1, 2016, to \$11.40 on January 1, 2017, to \$14.25 on January 1, 2018, and on January 1, 2019 adjust the minimum wage for cost living based on the consumer price index. The Department assumes the following –

- full time employees work 1,950 hours, and part time employees work 1,040 hours;
- employer contributions of 20.15% (FICA 6.2 %, Medicare 1.45%, and retirement 12.50%) for full time employees, and employer contributions of 7.65% (FICA 6.2 %, and Medicare 1.45%) for part time employees;
- an hourly rate of \$10.15 for state employees; and
- a 1% cost of living adjustment in FY 2019.

The Department states this bill will have no impact in FY 2016 because \$9.10 is less than any hourly rate paid to state employees. This bill is estimated to increase state expenditures by \$1,379,812 in FY 2017, \$20,777,936 in FY 2018 and \$38,990,230 in FY 2019.

The New Hampshire Association of Counties states an increase in the minimum wage will affect county labor costs. The exact fiscal impact cannot be determined at this time.

The New Hampshire Municipal Association states this bill would cause an increase in wages for any employee being paid less than the new minimum wage amounts. The Association states this bill will increase local expenditures by an indeterminable amount, however without checking with all 234 municipalities to determine the number of employees that would be impacted the exact fiscal impact cannot be determined.

The Department of Labor states this bill will have no fiscal impact on the Department.