FIRST REGULAR SESSION HOUSE COMMITTEE SUBSTITUTE FOR SENATE SUBSTITUTE FOR SENATE COMMITTEE SUBSTITUTE FOR SENATE BILL NOS. 255, 249 & 279

94TH GENERAL ASSEMBLY

Reported from the Special Committee on General Laws April 5, 2007 with recommendation that House Committee Substitute for Senate Substitute for Senate Bill Nos. 255, 249 & 279 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

1250L.05C

AN ACT

To repeal sections 290.502, 290.505, and 290.512, RSMo, and to enact in lieu thereof three new sections relating to minimum wage law, with an emergency clause.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 290.502, 290.505, and 290.512, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 290.502, 290.505, and 290.512, to read as follows:

290.502. [1.] Except as may be otherwise provided pursuant to sections 290.500 to 2 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate 3 of \$6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as 4 the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, 5 whichever rate per hour is higher.

6 [2. The minimum wage shall be increased or decreased on January 1, 2008, and on 7 January 1 of successive years, by the increase or decrease in the cost of living. On September 8 30, 2007, and on each September 30 of each successive year, the director shall measure the 9 increase or decrease in the cost of living by the percentage increase or decrease as of the 10 preceding July over the level as of July of the immediately preceding year of the Consumer Price

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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- 11 Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published
- 12 by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage
- 13 increase or decrease rounded to the nearest five cents.]

290.505. 1. No employer shall employ any of his employees for a workweek longer than
forty hours unless such employee receives compensation for his employment in excess of the
hours above specified at a rate not less than one and one-half times the regular rate at which he
is employed.

- 5 2. Employees of an amusement or recreation business that meets the criteria set out in
 6 29 U.S.C. § 213(a) (3) must be paid one and one-half times their regular compensation for any
 7 hours worked in excess of fifty-two hours in any one-week period.
- 8 3. With the exception of employees described in subsection (2), the overtime 9 requirements of subsection (1) shall not apply to employees who are exempt from federal 10 minimum wage or overtime requirements [pursuant to 29 U.S.C.§§ 213(a)-(b)] including, but 11 not limited to, the exemptions or hour calculation formulas specified in 29 U.S.C. Sections 12 207 and 213, and any regulations promulgated thereunder.
- 4. Except as may be otherwise provided under sections 290.500 to 290.530, this
 section shall be interpreted in accordance with the Fair Labor Standards Act, 29 U.S.C.
 Section 201, et seq., as amended, and the Portal to Portal Act, 29 U.S.C. Section 251, et seq.
- Section 201, et seq., as amended, and the Portal to Portal Act, 29 U.S.C. Section 251, et seq.,
 as amended, and any regulations promulgated thereunder.
- 290.512. 1. No employer of any employee who receives and retains compensation in the
 form of gratuities in addition to wages [is required to pay wages in excess of fifty percent of the
 minimum wage rate specified in sections 290.500 to 290.530, however, total compensation for
 such employee shall total at least the minimum wage specified in sections 290.500 to 290.530,
 the difference being made up by the employer] shall pay such employee a cash wage at a rate
 less than the cash wage amount specified in the Fair Labor Standards Act, 29 U.S.C.
 Section 203(m), for tipped employees. However, the total compensation for such tipped
 employee shall not be less than the minimum wage specified in section 290.502.

9 2. If an employee receives and retains compensation in the form of goods or services as 10 an incident of his employment and if he is not required to exercise any discretion in order to 11 receive the goods or services, the employer is required to pay only the difference between the fair 12 market value of the goods and services and the minimum wage otherwise required to be paid by 13 sections 290.500 to 290.530. The fair market value of the goods and services shall be computed on a weekly basis. The director shall provide by regulation a method of valuing the goods and 14 15 services received by any employee in lieu of the wages otherwise required to be paid under the 16 provisions of sections 290.500 to 290.530. He shall also provide by regulation a method of

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- 17 determining those types of goods and services that are an incident of employment the receipt of
- 18 which does not require any discretion on the part of the employee.

Section B. Because of the need to preserve federal standards relating to overtime

- $2 \quad \text{payments to employees, section A of this act is deemed necessary for the immediate preservation}$
- 3 of the public health, welfare, peace and safety, and is hereby declared to be an emergency act
- 4 within the meaning of the constitution, and section A of this act shall be in full force and effect
- 5 upon its passage and approval.

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