

HOUSE COMMITTEE BILL NO. 1

AN ACT

To repeal sections 290.500, 290.502, 290.528, and 290.600, RSMo, and to enact in lieu thereof four new sections relating to employee compensation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section A. Sections 290.500, 290.502, 290.528, and 290.600, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 290.500, 290.502, 290.528, and 290.600, to read as follows:

290.500. As used in sections 290.500 to 290.530, the following words and phrases mean:

(1) "Agriculture", farming and all its branches including, but not limited to, the cultivation and tillage of the soil, dairying, the production, cultivation, growing and harvesting of any agricultural commodities, the raising of livestock, fish and other marine life, bees, fur-bearing animals or poultry and any practices performed by a farmer or on a farm as an incident to or in conjunction with farming operations, including preparation for market, delivery to storage or to market or to carriers for transportation to market;

(2) "Director", the director of the department of labor and industrial relations or his authorized representative;

(3) "Employee", any individual employed by an employer, except that the term "employee" shall not include:

(a) Any individual employed in a bona fide executive,

17 administrative, or professional capacity;

18 (b) Any individual engaged in the activities of an
19 educational, charitable, religious, or nonprofit organization
20 where the employer-employee relationship does not, in fact, exist
21 or where the services rendered to the organization are on a
22 voluntary basis;

23 (c) Any individual standing in loco parentis to foster
24 children in their care;

25 (d) Any individual employed for less than four months in any
26 year in a resident or day camp for children or youth, or any
27 individual employed by an educational conference center operated
28 by an educational, charitable or not-for-profit organization;

29 (e) Any individual engaged in the activities of an
30 educational organization where employment by the organization is
31 in lieu of the requirement that the individual pay the cost of
32 tuition, housing or other educational fees of the organization or
33 where earnings of the individual employed by the organization are
34 credited toward the payment of the cost of tuition, housing or
35 other educational fees of the organization;

36 (f) Any individual employed on or about a private residence
37 on an occasional basis for six hours or less on each occasion;

38 (g) Any handicapped person employed in a sheltered workshop,
39 certified by the department of elementary and secondary education;

40 (h) Any person employed on a casual basis to provide baby-
41 sitting services;

42 (i) Any individual employed by an employer subject to the
43 provisions of part A of subtitle IV of title 49, United States

Code, 49 U.S.C. §§ 10101 et seq.;

(j) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(k) Any individual whose earnings are derived in whole or in part from sales commissions and whose hours and places of employment are not substantially controlled by the employer;

~~(l) [Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);~~

~~(m)]~~ Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

~~[(n)]~~ (m) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550;

~~[(o)]~~ (n) Any individual described by the provisions of section 29 U.S.C. 213(a) (8);

(4) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee;

(5) "Learner and apprentice", any individual under 20 years of age who has not completed the required training for a particular job. In no event shall the individual be deemed a learner or apprentice in the occupation after three months of training except where the director finds, after investigation, that for the particular occupation a minimum of proficiency cannot be acquired in three months. In no case shall a person be declared to be a

71 learner or apprentice after six months of training for a particular
72 employer or job. Employees of an amusement or recreation business
73 that meets the criteria set out in 29 U.S.C. § 213(a) (3) may be
74 deemed a learner or apprentice for ninety working days. No
75 individual shall be deemed a learner or apprentice solely for the
76 purpose of evading the provisions of sections 290.500 to 290.530;

77 (6) "Occupation", any occupation, service, trade, business,
78 industry, or branch or group of industries or employment or class
79 of employment in which individuals are gainfully employed;

80 (7) "Wage", compensation due to an employee by reason of his
81 employment, payable in legal tender of the United States or checks
82 on banks convertible into cash on demand at full face value;

83 (8) "Person", any individual, partnership, association,
84 corporation, business, business trust, legal representative, or
85 any organized group of persons;

86 (9) "Man-day", any day during which an employee performs any
87 agricultural labor for not less than one hour.

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

8 2. The minimum wage shall be increased or decreased on
9 January 1, 2008, and on January 1 of successive years, by the
10 increase or decrease in the cost of living. On September 30, 2007,

and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, 2025, every employer shall pay to each employee wages at the rate of not less than \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased by \$1.25 per hour, to \$15.00 per hour, effective January 1, 2026. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, 2027, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set

38 forth in subsection 2 for so long as it remains higher than the
39 state minimum wage required and increased pursuant to this
40 subsection.

41 4. For purposes of this section, the term "public employer"
42 means an employer that is the state or a political subdivision of
43 the state, including a department, agency, officer, bureau,
44 division, board, commission, or instrumentality of the state, or a
45 city, county, town, village, school district, or other political
46 subdivision of the state. ~~Subsection 3 of this section~~ Beginning
47 on August 28, 2025, the provisions of this section shall ~~not~~
48 apply to a public employer with respect to its employees. ~~Any~~
49 ~~public employer that is subject to subsections 1 and 2 of this~~
50 ~~section shall continue to be subject to those subsections.]~~

290.528. 1. As used in this section, the following terms
2 shall mean:

3 (1) "Employee", an individual employed in this state by an
4 employer;

5 (2) "Employer", any individual, sole proprietorship,
6 partnership, limited liability company, corporation, or any other
7 entity that is legally doing business in this state ~~except that,~~
8 ~~the term "employer" shall not include any public employer, as~~
9 ~~defined in section 285.525];~~

10 (3) "Employment benefits", anything of value that an
11 employee may receive from an employer in addition to wages and
12 salary. The term includes, but is not limited to, health,
13 disability, retirement, profit-sharing, and death benefits; group
14 accidental death and dismemberment benefits; paid or unpaid days

off from work for holidays, sick leave, vacation, and personal necessity; and terms of employment, attendance, or leave policies;

(4) "Political subdivision", any municipality, special district, local governmental body, county, city, town, or village.

2. Notwithstanding any other provisions of law to the contrary, no political subdivision shall establish, mandate, or otherwise require an employer to provide to an employee:

(1) A minimum or living wage rate; or

(2) Employment benefits;

that exceed state laws, rules, or regulations. Sections 290.500 to 290.530 shall preempt and nullify all political subdivision ordinances, rules, and regulations currently in effect or later enacted relating to the establishment or enforcement of a minimum or living wage or the provision of employment benefits that exceed state laws, rules, or regulations.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", department of labor and industrial relations;

(2) "Director", director of the department of labor and industrial relations;

(3) "Domestic violence", as such term is defined in section 455.010;

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described

in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502;

(5) "Employee", any individual employed in this state by an employer, but does not include:

(a) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(b) Any individual standing in loco parentis to foster children in their care;

(c) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(d) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(e) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(f) Any individual employed on a casual basis to provide baby-sitting services;

(g) Any individual employed by an employer subject to the

provisions of Part A of Subtitle IV of Title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(h) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

~~(i) [Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);~~

~~(j)]~~ Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

~~[(k)]~~ (j) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

~~[(l)]~~ (k) Any individual described by the provisions of section 29 U.S.C. 213(a)(8);

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee~~]; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state];~~

(7) "Family member", any of the following individuals:

(a) Regardless of age, a biological, adopted or foster child,

stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(b) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(c) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(d) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(e) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking;

(8) "Health care professional", any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room

personnel;

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons;

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642;

(11) "Same hourly rate", means the following:

(a) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate;

(b) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

a. The wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

b. The weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year;

(c) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the

previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work forty hours in each work week unless their normal work week is less than forty hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502;

(d) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502;

(e) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502;

(f) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or one hundred percent of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit;

(12) "Sexual assault", as such term is defined in section 455.010;

147 (13) "Stalking", as such term is defined in section 455.010;
148 (14) "Year", a regular and consecutive twelve-month period
149 as determined by the employer; except that for the purposes of
150 section 290.615 and section 290.627, "year" shall mean a calendar
151 year.