

HCS HBs 567, 546, 758 & 958 -- EMPLOYEE COMPENSATION

SPONSOR: Gallick

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Commerce by a vote of 7 to 3.

The following is a summary of the House Committee Substitute for HB 567.

Currently, the minimum wage is increased or decreased on January 1st of successive years, depending on the cost of living increase or decrease, based upon the CPI index as of September 30th of each year. This bill ends these provisions on December 31, 2024, and repeals the use of the CPI index.

Currently, the minimum wage increase will cap at \$15.00 per hour on January 1, 2026. The bill delays the effective date to January 1, 2028. This bill provides that if the federal minimum wage rate is increased or above the minimum wage rate in effect in Missouri, the higher Federal rate will become the minimum wage.

Following the passage of Proposition A, beginning May 1, 2025 specified employees are to receive earned sick leave. The bill repeals these provisions.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Proposition A was passed by the voters in November, raising the minimum wage and mandating paid sick leave for certain employees. Supporters say that economic competitiveness is needed and we should not stifle the business enterprise. The motivation to start a business is profit; we need to lower the overheads and costs and not disrupt cash flow for small businesses and a previously determined business plan. A survey conducted of employers indicates that about 1/3 of the employers said they would hire fewer employees. There is a problem with the compliance date of the provisions for businesses. The paid sick leave provisions are devastating to employers. The 80 hour carry forward of the sick leave is mandated by law and employers are prohibited from asking questions of the employee. A new cause of action has been created against employers if sick leave is denied. The state of Alaska is opposing a similar ballot measure.

Testifying in person for the bill were Representative Gallick; Missouri Tire Industry Association; Buddy Lahl, Missouri Restaurant Association; Missouri Grocers Association; Missouri Retailers

Association; NFIB (National Federation of Independent Business); Hannibal Regional Healthcare System; Missouri Restaurant Association; Ray Mccarty; Missouri Chamber of Commerce and Industry; Missouri Forest Products Association; and Liberty Utilities.

OPPONENTS: Those who oppose the bill say that in 2006 the minimum wage rate was raised and then in 2018 along with the CPI index. No challenge was made to the recent initiative petition until after it received voter approval.

Testifying in person against the bill were The Associated Students of the University of Missouri; Abortion Action Missouri; Arnie Dienoff; Mary Creamer; Jobs With Justice Voter Action; and Abortion Action Missouri.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.