

SB 83-FN-LOCAL - AS INTRODUCED

2017 SESSION

17-0849

06/10

SENATE BILL ***83-FN-LOCAL***

AN ACT relative to the state minimum wage.

SPONSORS: Sen. Soucy, Dist 18; Sen. Woodburn, Dist 1; Sen. D'Allesandro, Dist 20; Sen. Fuller Clark, Dist 21; Sen. Lasky, Dist 13; Sen. Watters, Dist 4; Sen. Hennessey, Dist 5; Sen. Kahn, Dist 10; Sen. Feltes, Dist 15

COMMITTEE: Commerce

ANALYSIS

This bill establishes a state minimum wage.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struck through]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Seventeen

AN ACT relative to the state minimum wage.

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

1 1 Minimum Hourly Rate; 2017. Amend the introductory paragraph of RSA 276:21 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 **\$8.50 or** that set forth in the
5 federal minimum wage law, as amended. Tipped employees of a restaurant, hotel, motel, inn or
6 cabin, or ballroom who customarily and regularly receive more than \$30 a month in tips directly
7 from the customers will receive a base rate from the employer of not less than 45 percent of the
8 applicable minimum wage. If an employee shows to the satisfaction of the commissioner that the
9 actual amount of wages received at the end of each pay period did not equal the minimum wage for
10 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; March 1, 2018 Version. The introductory paragraph of RSA 279:21 is
13 repealed and reenacted to read as follows:

14 279:21 Minimum Hourly Rate. Unless otherwise provided by statute, no person shall employ
15 any employee at an hourly rate lower than \$10.00 or that set forth in the federal minimum wage
16 law, as amended. Tipped employees of a restaurant, hotel, motel, inn or cabin, or ballroom who
17 customarily and regularly receive more than \$30 a month in tips directly from the customers will
18 receive a base rate from the employer of not less than 45 percent of the applicable minimum wage.
19 If an employee shows to the satisfaction of the commissioner that the actual amount of wages
20 received at the end of each pay period did not equal the minimum wage for all hours worked, the
21 employer shall pay the employee the difference to guarantee the applicable minimum wage. The
22 limitations imposed hereby shall be subject to the following exceptions:

23 3 Minimum Hourly Rate; September 1, 2018 Rate. The introductory paragraph of RSA 279:21
24 is repealed and reenacted to read as follows:

25 279:21 Minimum Hourly Rate. Unless otherwise provided by statute, no person shall employ
26 any employee at an hourly rate lower than \$12.00 or that set forth in the federal minimum wage
27 law, as amended. Tipped employees of a restaurant, hotel, motel, inn or cabin, or ballroom who
28 customarily and regularly receive more than \$30 a month in tips directly from the customers will
29 receive a base rate from the employer of not less than 45 percent of the applicable minimum wage.
30 If an employee shows to the satisfaction of the commissioner that the actual amount of wages
31 received at the end of each pay period did not equal the minimum wage for all hours worked, the

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1 employer shall pay the employee the difference to guarantee the applicable minimum wage. The
2 limitations imposed hereby shall be subject to the following exceptions:

3 4 Effective Date.

4 I. Section 2 of this act shall take effect March 1, 2018.

5 II. Section 3 of this act shall take effect September 1, 2018.

6 III. The remainder of this act shall take effect September 1, 2017.

**SB 83-FN-LOCAL- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the state minimum wage.

FISCAL IMPACT: ☒ State ☒ County ☒ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2018	FY 2019	FY 2020	FY 2021
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	<input checked="" type="checkbox"/> General	<input type="checkbox"/> Education	<input checked="" type="checkbox"/> Highway	<input checked="" type="checkbox"/> Other

COUNTY:

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

LOCAL:

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

METHODOLOGY:

This bill increases the minimum hourly wage from \$7.25 an hour to \$8.50 per hour on September 1, 2017, to \$10.00 per hour on March 1, 2018, and to \$12.00 an hour on September 1, 2018. The Department of Administrative Services compared the proposed minimum hourly wage rates to the lowest pay grade in the State classified pay schedule (Labor Grade 1, step 1 = \$10.57 per hour). The proposed minimum hourly wage increase to \$8.50 on September 1, 2017 and \$10.00 in March 1, 2018 would not impact the State since these rates are lower than \$10.57 per hour. The Department determined that there are 115 full-time and 415 part-time employees currently earning less than \$12.00 per hour. The Department is not able to determine the fiscal impact of the proposed increase to \$12.00 on September 1, 2018 because:

- The distribution of salaries below \$12.00 per hour is not readily available; some employees may earn the minimum while others earn closer to \$12.00.
- The Department notes any cost of living increases negotiated through collective bargaining would lessen the difference between the minimum wage in statute and the lowest classified pay grade.

The potential impact to the Judicial Branch would come from the existing RSA 279:28, II, which makes it a misdemeanor for a natural person and a felony for any other person to pay or agree to pay an employee less than the applicable state minimum wage. The Branch does not have information on the potential number of additional misdemeanor or felony prosecutions that may result from the bill, but provided information on the average costs to process such cases in the trial courts below.

Judicial Branch	FY 2018	FY 2019
Class B Misdemeanor	\$49	\$50
Class A Misdemeanor	\$71	\$72
Routine Criminal Felony Case	\$451	\$456
Appeals	Varies	Varies
It should be noted average case cost estimates for FY 2018 and FY 2019 are based on data that is more than ten years old and does not reflect changes to the courts over that same period of time or the impact these changes may have on processing the various case types. An unspecified misdemeanor can be either class A or class B, with the presumption being a class B misdemeanor.		

The New Hampshire Municipal Association states, without contacting the 234 municipalities, it does not have information on the number of employees that would be effected or what the amounts of increases would be, but the Association believes the impact on municipal expenditures would be minimal.

The New Hampshire Association of Counties indicates the bill could have an indeterminable impact on county expenditures.

AGENCIES CONTACTED:

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