

SENATE BILL NO. 118

INTRODUCED BY D. HARRINGTON

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A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE MINIMUM HOURLY WAGE RATE TO \$5.75 AN HOUR BEGINNING JULY 1, 2001, AND TO \$6.25 AN HOUR BEGINNING JULY 1, 2002, OR TO THE RATE SET UNDER FEDERAL LAW, WHICHEVER IS GREATER; PROVIDING AN EMPLOYER THE OPTION TO APPLY THE INCREASE TOWARD A BONA FIDE EMPLOYEE HEALTH CARE PLAN; AMENDING SECTION 39-3-409, MCA; AND PROVIDING AN EFFECTIVE DATE."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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Section 1. Section 39-3-409, MCA, is amended to read:

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"39-3-409. Adoption of minimum wage rates -- exception -- option to provide health care benefits.

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(1) The commissioner shall adopt rules to establish a minimum wage that, except as provided in ~~subsection~~ subsections (2) through (4), must be the ~~same~~ greater of either the minimum hourly wage rate, as provided under the federal Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)); ~~or~~

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(a) \$5.75 an hour beginning July 1, 2001; and

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(b) \$6.25 an hour beginning July 1, 2002.

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(2) The rates established under subsection (1) exclude ~~excluding~~ the value of tips received by the employee and the special provisions for a training wage.

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~~(2)~~(3) The minimum wage rate for a business whose annual gross sales are \$110,000 or less is \$4 an hour.

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(4) In lieu of the increase in minimum wage provided in subsections (1)(a) and (1)(b), an employer may apply an amount equivalent to the increase toward an existing or new bona fide employee health care plan."

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NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2001.

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