

SENATE BILL NO. 53
INTRODUCED BY D. HARRINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE MINIMUM HOURLY WAGE RATE TO \$5.75 AN HOUR BEGINNING JULY 1, 2003, AND TO \$6.25 AN HOUR BEGINNING JULY 1, 2004, OR TO A 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."

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

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

"39-3-409. Adoption of minimum wage rates -- exception. (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:

(a) the minimum hourly wage rate as provided under the federal Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1));; or

(b) (i) \$5.75 an hour beginning July 1, 2003; and

(ii) \$6.25 an hour beginning July 1, 2004.

(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.

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

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

NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2003.

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