

HB 258 -- MINIMUM WAGE

SPONSOR: Jones (89)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Workforce Development and Workplace Safety by a vote of 7 to 4.

This bill allows the Department of Labor and Industrial Relations to establish rules to implement the federal minimum wage provisions.

Employers are allowed to pay an employee who receives tips less than the hourly cash wage amount specified in the Fair Labor Standards Act if the total compensation of the employee is not less than the wage required under the state's Minimum Wage Law.

FISCAL NOTE: No impact on state funds in FY 2010, FY 2011, and FY 2012.

PROPOSERS: Supporters say that the bill corrects and clarifies the provisions of Proposition B, Missouri's Minimum Wage Law, passed in 2006 by returning employees who receive tips to the provisions of the federal Minimum Wage Law. The bill protects jobs and aids the financially stressed restaurant industry. Restaurants are absorbing increased food costs and experiencing fewer customers.

Testifying for the bill were Representative Jones (89); Michael Wiggins, Granny Shaffier's Restaurant; Robert Kirkwood; Victor B. Allred; Brian Ash; Robert Bonney, II, Greg Hunsucker, and Richard Wells, Jr., Missouri Restaurant Association; Jack Borgmeyer, Pasta Grill Corporation; Jerald S. Claywell; Mary E. Hostetter, Blue Owl Restaurant and Bakery; Todd Hulse, Jack Stack BBQ; John Lane; Gary Lee Leonard, Leonard's SnS; Michael Norsworthy, KRM, Incorporated; Jason Pryor, Greater Kansas City Restaurant Association; and National Federation of Independent Business.

OPPOSERS: Those who oppose the bill say that Proposition B was approved by voters in every county in Missouri and by 76.8% statewide. If the bill passes, \$155 million will be lost in wages to more than 53,000 servers. Tip servers cannot control whether or not they receive a tip. The current economic situation has caused many restaurant patrons to tip less.

Testifying against the bill were Lara Granich, Missouri Jobs with Justice; Dana Dreher; Dave Morton, Unite Here; Missouri AFL-CIO; United Steelworkers, District 11; and Missouri Association for Social Welfare.