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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 456

January 29, 2007

Authored by Rukavina, Kahn, Clark, Lenczewski, Lesch and others
The bill was read for the first time and referred to the Committee on Commerce and Labor

March 23, 2007

Committee Recommendation and Adoption of Report:
To Pass
Read Second Time

1.1 A bill for an act
1.2 relating to employment; increasing and indexing the minimum wage; eliminating
1.3 the training wage; requiring notice to new employees; amending Minnesota
1.4 Statutes 2006, section 177.24, subdivision 1, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 177.24, subdivision 1, is amended to read:

1.7 Subdivision 1. **Amount.** (a) For purposes of this subdivision, the terms defined in
1.8 this paragraph have the meanings given them.

1.9 (1) "Large employer" means an enterprise whose annual gross volume of sales
1.10 made or business done is not less than \$625,000 (exclusive of excise taxes at the retail
1.11 level that are separately stated) and covered by the Minnesota Fair Labor Standards Act,
1.12 sections 177.21 to 177.35.

1.13 (2) "Small employer" means an enterprise whose annual gross volume of sales made
1.14 or business done is less than \$625,000 (exclusive of excise taxes at the retail level that
1.15 are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections
1.16 177.21 to 177.35.

1.17 (b) Except as otherwise provided in sections 177.21 to 177.35, every large employer
1.18 must pay each employee wages at a rate of at least ~~\$5.15 an hour beginning September~~
1.19 ~~1, 1997, and at a rate of at least \$6.15 an hour beginning August 1, 2005~~ \$6.75 an hour
1.20 and at a rate of at least \$7.75 an hour beginning August 1, 2008. Every small employer
1.21 must pay each employee at a rate of at least ~~\$4.90 an hour beginning January 1, 1998,~~
1.22 ~~and at a rate of at least \$5.25 an hour beginning August 1, 2005~~ \$5.75 an hour and at a
1.23 rate of at least \$6.75 an hour beginning August 1, 2008.

2.1 (c) ~~Notwithstanding paragraph (b), during the first 90 consecutive days of~~
2.2 ~~employment, an employer may pay an employee under the age of 20 years a wage of \$4.90~~
2.3 ~~an hour. No employer may take any action to displace any employee, including a partial~~
2.4 ~~displacement through a reduction in hours, wages, or employment benefits, in order to hire~~
2.5 ~~an employee at the wage authorized in this paragraph. No later than November 1 each~~
2.6 ~~year, beginning in 2008, the commissioner shall determine the percentage increase in the~~
2.7 ~~rate of inflation, as measured by the Consumer Price Index for all urban consumers, United~~
2.8 ~~States city average, as determined by the United States Department of Labor, during the~~
2.9 ~~most recent 12-month period for which data is available. The minimum wage rates in~~
2.10 ~~paragraph (b) are increased by the percentage calculated by the commissioner, rounded~~
2.11 ~~to the nearest cent. The new minimum wage rates determined under this paragraph take~~
2.12 ~~effect on the next January 1.~~

2.13 Sec. 2. Minnesota Statutes 2006, section 177.24, is amended by adding a subdivision
2.14 to read:

2.15 Subd. 6. **Notice.** An employer who pays a new employee the current state minimum
2.16 wage under subdivision 1 must provide a written statement accompanying the first two
2.17 paychecks of the employee or on the first two paydays of the employee if the employee is
2.18 paid by electronic transfer. The written statement must be in at least 10-point font and
2.19 must include the following information:

2.20 (1) the applicable state or federal minimum wage rate required by law; and

2.21 (2) contact information for the Department of Labor and Industry for the reporting
2.22 of possible minimum wage violations.