

20107341D

SENATE BILL NO. 7

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance and Appropriations
on February 5, 2020)

(Patrons Prior to Substitute—Senators Saslaw, Locke [SB 73], Marsden [SB 81], and Morrissey [SB 816])

A BILL to amend and reenact §§ 40.1-28.9 and 40.1-28.10 of the Code of Virginia, relating to the minimum wage.

Be it enacted by the General Assembly of Virginia:

1. That §§ 40.1-28.9 and 40.1-28.10 of the Code of Virginia are amended and reenacted as follows:

§ 40.1-28.9. Definitions.

A. As used in this article:

"Adjusted state hourly minimum wage" means the amount established by the Commissioner pursuant to subsection 1 of § 40.1-28.10.

"Employee" includes any individual employed by an employer, ~~except the following~~. "Employee" includes home care providers. "Employee" does not include the following:

1. Any person employed as a farm laborer or farm employee;

2. Any person employed in domestic service or in or about a private home or in an eleemosynary institution primarily supported by public funds;

3. Any person engaged in the activities of an educational, charitable, religious or nonprofit organization where the relationship of employer-employee does not, in fact, exist, or where the services rendered to such organizations are on a voluntary basis;

4. Caddies on golf courses;

5. Traveling salesmen or outside salesmen working on a commission basis; taxicab drivers and operators;

6. Any person under the age of 18 in the employ of his father, mother or legal guardian;

7. Any person confined in any penal or corrective institution of the State or any of its political subdivisions or admitted to a state hospital or training center operated by the Department of Behavioral Health and Developmental Services;

8. Any person employed by a summer camp for boys, girls, or both boys and girls;

9. Any person under the age of 16, regardless of by whom employed;

10. Any person who normally works and is paid based on the amount of work done;

11. Any person ~~whose employment is covered by~~ who is paid pursuant to 29 U.S.C. § 214(c) of the Fair Labor Standards Act of 1938, as amended;

12. ~~Any person whose earning capacity is impaired by physical deficiency, mental illness, or intellectual disability;~~

~~13. Students participating in a bona fide educational program;~~

13. Any person employed by an employer who does not have four or more persons employed at any one time; provided that husbands, wives, sons, daughters and parents of the employer shall not be counted in determining the number of persons employed;

14. Any person who is less than 18 years of age and who is currently enrolled on a full-time basis in any secondary school, institution of higher education or trade school, provided the person is not employed more than 20 hours per week;

15. Any person of any age who is currently enrolled on a full-time basis in any secondary school, institution of higher education or trade school and is in a work-study program or its equivalent at the institution at which he or she is enrolled as a student;

16. Any person who is less than 18 years of age and who is under the jurisdiction and direction of a juvenile and domestic relations district court; or

17. Any person who works as a babysitter for fewer than 10 hours per week.

"Employer" includes any individual, partnership, association, corporation, business trust, or any person or groups of persons acting directly or indirectly in the interest of an employer in relation to an employee. "Employer" includes the Commonwealth; any of its agencies, institutions, or political subdivisions; and any public body.

"Federal minimum wage" means the federal minimum wage as prescribed by the U.S. Fair Labor Standards Act, 29 U.S.C. § 201 et seq.

"Home care provider" means an individual who provides (i) home health services, including services provided by or under the direct supervision of any health care professional under a medical plan of care in a patient's residence on a visit or hourly basis to patients who have or are at risk of injury, illness, or a disabling condition and require short-term or long-term interventions, or (ii) personal care services, including assistance in personal care to include activities of daily living provided in an

60 *individual's residence on a visit or hourly basis to individuals who have or are at risk of an illness,*
61 *injury, or disabling condition.*

62 "Wages" means legal tender of the United States or checks or drafts on banks negotiable into cash on
63 demand or upon acceptance at full value; provided, wages may include the reasonable cost to the
64 employer of furnishing meals and for lodging to an employee, if such board or lodging is customarily
65 furnished by the employer, and used by the employee.

66 B. In determining the wage of a tipped employee, the amount paid such employee by his employer
67 shall be deemed to be increased on account of tips by an amount determined by the employer, except in
68 the case of an employee who establishes by clear and convincing evidence that the actual amount of tips
69 received by him was less than the amount determined by the employer. In such case, the amount paid
70 such employee by his employer shall be deemed to have been increased by such lesser amount.

71 **§ 40.1-28.10. Minimum wages.**

72 ~~Every~~ A. Prior to January 1, 2021, every employer shall pay to each of his employees wages at a
73 rate not less than the federal minimum wage ~~and or, if applicable,~~ a training wage as prescribed by the
74 U.S. Fair Labor Standards Act (29 U.S.C. § 201 et seq.).

75 B. From January 1, 2021, until January 1, 2022, every employer shall pay to each of his employees
76 wages at a rate not less than the greater of (i) \$10.00 per hour or (ii) the federal minimum wage.

77 C. From January 1, 2022, until January 1, 2023, every employer shall pay to each of his employees
78 wages at a rate not less than the greater of (i) \$11.00 per hour or (ii) the federal minimum wage.

79 D. From January 1, 2023, until January 1, 2024, every employer shall pay to each of his employees
80 wages at a rate not less than the greater of (i) \$12.00 per hour or (ii) the federal minimum wage.

81 E. From January 1, 2024, until January 1, 2025, every employer shall pay to each of his employees
82 wages at a rate not less than the greater of (i) \$13.00 per hour or (ii) the federal minimum wage.

83 F. From January 1, 2025, until January 1, 2026, every employer shall pay to each of his employees
84 wages at a rate not less than the greater of (i) \$14.00 per hour or (ii) the federal minimum wage.

85 G. From January 1, 2026, until January 1, 2027, every employer shall pay to each of his employees
86 wages at a rate not less than the greater of (i) \$15.00 per hour or (ii) the federal minimum wage.

87 H. From January 1, 2027, and thereafter, every employer shall pay to each of his employees wages
88 at a rate not less than the greater of (i) the adjusted state hourly minimum wage or (ii) the federal
89 minimum wage.

90 I. By October 1, 2026, and annually thereafter, the Commissioner shall establish the adjusted state
91 hourly minimum wage that shall be in effect during the 12-month period commencing on the following
92 January 1. The Commissioner shall set the adjusted state hourly minimum wage at the sum of (i) the
93 amount of the state hourly minimum wage rate that is in effect on the date such adjustment is made and
94 (ii) a percentage of the amount described in clause (i) that is equal to the percentage by which the
95 United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published
96 by the Bureau of Labor Statistics of the U.S. Department of Labor, or a successor index as calculated
97 by the U.S. Department of Labor, has increased during the most recent calendar year for which such
98 information is available. The amount of each annual adjustment shall not be less than zero.

99 **2. That the Virginia Employment Commission (VEC) shall review the potential impact or**
100 **consequences of instituting a regional minimum wage in the Commonwealth. The VEC shall**
101 **complete its meetings by November 30, 2020, and shall submit to the General Assembly and the**
102 **Governor an executive summary and a report of its findings and recommendations. The executive**
103 **summary and report shall be submitted as provided in the procedures of the Division of**
104 **Legislative Automated Systems for the processing of legislative documents and reports no later**
105 **than the first day of the 2021 Regular Session of the General Assembly and shall be posted on the**
106 **General Assembly's website.**

107 **3. That the provisions of the first enactment of this act shall become effective on January 1, 2021.**