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HOUSE BILL NO. 2270

Offered January 13, 2021

A BILL to amend and reenact § 40.1-28.10 of the Code of Virginia and to amend and reenact the second and third enactments of Chapters 1204 and 1242 of the Acts of Assembly of 2020, relating to the minimum wage; effective dates of scheduled increases; emergency.

Patron—Marshall

Referred to Committee on Labor and Commerce

Be it enacted by the General Assembly of Virginia:**1. That § 40.1-28.10 of the Code of Virginia is amended and reenacted as follows:****§ 40.1-28.10. Minimum wages.**

A. 1. Prior to ~~May 1, 2021~~ *January 1, 2022*, every employer shall pay to each of its employees wages at a rate not less than the federal minimum wage.

2. Beginning ~~May 1, 2021~~ *January 1, 2022*, every employer shall pay to each of his employees at a rate not less than the federal minimum wage or 75 percent of the Virginia minimum wage provided for in this section, whichever is greater. For the purposes of this subdivision "employee" means any person or individual who is enrolled in an established employer on-the-job or other training program for a period not to exceed 90 days which meets standards set by regulations adopted by the Commissioner.

B. From ~~May 1, 2021~~ *January 1, 2022*, until January 1, ~~2022~~ *2023*, every employer shall pay to each of its employees wages at a rate not less than the greater of (i) \$9.50 per hour or (ii) the federal minimum wage.

C. From January 1, ~~2022~~ *2023*, until January 1, ~~2023~~ *2024*, every employer shall pay to each of its employees wages at a rate not less than the greater of (i) \$11.00 per hour or (ii) the federal minimum wage.

D. From January 1, ~~2023~~ *2024*, until January 1, ~~2025~~ *2026*, every employer shall pay to each of its employees wages at a rate not less than the greater of (i) \$12.00 per hour or (ii) the federal minimum wage.

E. (For effective date, see Acts 2020, cc. 1204 and 1242) From January 1, ~~2025~~ *2026*, until January 1, ~~2026~~ *2027*, every employer shall pay to each of its employees wages at a rate not less than the greater of (i) \$13.50 per hour or (ii) the federal minimum wage.

F. (For effective date, see Acts 2020, cc. 1204 and 1242) From January 1, ~~2026~~ *2027*, until January 1, ~~2027~~ *2028*, every employer shall pay to each of its employees wages at a rate not less than the greater of (i) \$15.00 per hour or (ii) the federal minimum wage.

G. From and after January 1, ~~2027~~ *2028*, every employer shall pay to each of his employees wages at a rate not less than the greater of (i) the adjusted state hourly minimum wage or (ii) the federal minimum wage.

H. By October 1, ~~2026~~ *2027*, and annually thereafter, the Commissioner shall establish the adjusted state hourly minimum wage that shall be in effect during the 12-month period commencing on the following January 1. The Commissioner shall set the adjusted state hourly minimum wage at the sum of (i) the amount of the state hourly minimum wage rate that is in effect on the date such adjustment is made and (ii) a percentage of the amount described in clause (i) that is equal to the percentage by which the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, or a successor index as calculated by the U.S. Department of Labor, has increased during the most recent calendar year for which such information is available. The amount of each annual adjustment shall not be less than zero.

2. That the second and third enactments of Chapters 1204 and 1242 of the Acts of Assembly of 2020 are amended and reenacted as follows:

2. Beginning January 1, ~~2022~~ *2023*, the Virginia Department of Housing and Community Development, the Virginia Economic Development Partnership Authority, and the Virginia Employment Commission (the agencies) shall conduct a joint review of the feasibility and potential impact of instituting a regional minimum wage in the Commonwealth. In evaluating a regional minimum wage, the agencies shall form a work group to assess various factors, including, but not limited to, the cost of living in the Commonwealth; the potential impact on employers and any fringe benefits offered to employees such as employer-sponsored health insurance; the potential impact on workers, with a focus on income inequality; the potential impact on agricultural workers; the experience of other states with a regional wage; and the equity and fairness of the exemption from the minimum wage for any person employed as a farm laborer or farm employee

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59 provided by § 40.1-28.10 of the Code of Virginia. The agencies also shall provide an assessment of
60 options for utilizing a minimum wage in the Commonwealth, the feasibility of a regional minimum
61 wage, and the economic benefits or impacts of utilizing a minimum wage. The agencies shall also
62 assess the effects of the minimum wage increases scheduled in § 40.1-28.10 of the Code of Virginia,
63 as amended by this act. The agencies shall submit to the General Assembly and the Governor an
64 executive summary and a report of their findings and recommendations. The executive summary
65 and report shall be submitted as provided in the procedures of the Division of Legislative
66 Automated Systems for the processing of legislative documents no later than December 1, 2023
67 2024, and shall be posted on the General Assembly's website.

68 3. That the provisions of subsections E and F of § 40.1-28.10 of the Code of Virginia, as
69 amended by this act, shall not become effective unless reenacted by a regular or special session of
70 the General Assembly prior to July 1, 2024 2025. If the General Assembly does not reenact
71 subsections E and F by July 1, 2024 2025, then (i) the Commissioner of Labor and Industry shall
72 establish the adjusted state hourly minimum wage as provided in subsection H by October 1, 2024
73 2025, and annually thereafter; and (ii) from and after January 1, 2025 2026, every employer shall
74 pay to each of his employees wages as specified in ~~subsections~~ subsection G.

75 3. That an emergency exists and this act is in force from its passage.