

A bill for an act
relating to employment; increasing the minimum wage; providing a mechanism
for adjusting the minimum wage annually to account for inflation; amending
Minnesota Statutes 2006, section 177.24, subdivision 1.

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

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

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

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

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

(b) Except as otherwise provided in sections 177.21 to 177.35, every large employer
must pay each employee wages at a rate of at least ~~\$5.15 an hour beginning September
1, 1997, and at a rate of at least \$6.15 an hour beginning August 1, 2005~~ \$7.95 an hour
beginning August 1, 2007, and at the rate established under paragraph (d) beginning
January 1, 2008. Every small employer must pay each employee at a rate of at least
~~\$4.90 an hour beginning January 1, 1998, and at a rate of at least \$5.25 an hour beginning
August 1, 2005~~ \$7.50 an hour beginning August 1, 2007, and at the rate established under
paragraph (d) beginning January 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 \$6.55 an hour beginning August 1, 2007, and at the rate established under paragraph (d)
2.4 beginning January 1, 2008. No employer may take any action to displace any employee,
2.5 including a partial displacement through a reduction in hours, wages, or employment
2.6 benefits, in order to hire an employee at the wage authorized in this paragraph.

2.7 (d) No later than November 1 each year, beginning in 2008, the commissioner shall
2.8 determine the percentage increase in the rate of inflation, as measured by the Consumer
2.9 Price Index for all urban consumers, United States city average, as determined by the
2.10 United States Department of Labor, during the most recent 12-month period for which
2.11 data is available. The minimum wage rates in paragraphs (b) and (c) are increased by
2.12 the percentage calculated by the commissioner, rounded to the nearest cent. The new
2.13 minimum wage rates determined under this paragraph take effect on the next January 1.