

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2013

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**SENATE BILL 220\***

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Short Title: State Minimum Wage/Inflation Increases. (Public)

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Sponsors: Senators Parmon, D. Davis (Primary Sponsors); and Bryant.

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Referred to: Rules and Operations of the Senate.

March 7, 2013

1                   **A BILL TO BE ENTITLED**

2                   **AN ACT PROVIDING FOR AUTOMATIC ADJUSTMENT OF THE STATE'S MINIMUM**  
3                   **WAGE BASED UPON INCREASES IN THE CONSUMER PRICE INDEX.**

4                   The General Assembly of North Carolina enacts:

5                   **SECTION 1.** G.S. 95-25.3 reads as rewritten:

6                   **"§ 95-25.3. Minimum wage.**

7                   (a) Every Subject to the provisions of subsection (a1) of this section, every employer  
8                   shall pay to each employee who in any workweek performs any work, wages of at least six  
9                   dollars and fifteen cents (\$6.15) per hour or the minimum wage set forth in paragraph 1 of  
10                  section 6(a) of the Fair Labor Standards Act, 29 U.S.C. 206(a)(1), as that wage may change  
11                  from time to time, whichever is higher, except as otherwise provided in this section.

12                  (a1) The minimum wage required by subsection (a) of this section shall be increased on  
13                  January 1, 2014, and on January 1 of successive years by the increase in the cost of living. The  
14                  increase in the cost of living shall be measured by the percentage increase of the consumer  
15                  price index (all urban consumers, U.S. city average for all items), CPI-U, or its successor index,  
16                  as calculated by the U.S. Department of Labor for the 12 months preceding the previous  
17                  September 1. The Commissioner shall calculate the indexed minimum wage rate. The indexed  
18                  minimum wage rate shall be calculated to the nearest cent (\$0.01).

19                  (b) In order to prevent curtailment of opportunities for employment, the wage rate for  
20                  full-time students, learners, apprentices, and messengers, as defined under the Fair Labor  
21                  Standards Act, shall be ninety percent (90%) of the rate in effect under subsection (a) above,  
22                  rounded to the lowest nickel.

23                  (c) The Commissioner, in order to prevent curtailment of opportunities for employment,  
24                  may, by regulation, establish a wage rate less than the wage rate in effect under section (a)  
25                  which may apply to persons whose earning or productive capacity is impaired by age or  
26                  physical or mental deficiency or injury, as such persons are defined under the Fair Labor  
27                  Standards Act.

28                  (d) The Commissioner, in order to prevent curtailment of opportunities for employment  
29                  of the economically disadvantaged and the unemployed, may, by regulation, establish a wage  
30                  rate not less than eighty-five percent (85%) of the otherwise applicable wage rate in effect  
31                  under subsection (a) which shall apply to all persons (i) who have been unemployed for at least  
32                  15 weeks and who are economically disadvantaged, or (ii) who are, or whose families are,  
33                  receiving Work First Family Assistance or who are receiving supplemental security benefits  
34                  under Title XVI of the Social Security Act.

35                  Pursuant to regulations issued by the Commissioner, certificates establishing eligibility for  
36                  such subminimum wage shall be issued by the Division of Employment Security.



1       The regulation issued by the Commissioner shall not permit employment at the  
2 subminimum rate for a period in excess of 52 weeks.

3       (e)     The Commissioner, in order to prevent curtailment of opportunities for employment,  
4 and to not adversely affect the viability of seasonal establishments, may, by regulation,  
5 establish a wage rate not less than eighty-five percent (85%) of the otherwise applicable wage  
6 rate in effect under subsection (a) which shall apply to any employee employed by an  
7 establishment which is a seasonal amusement or recreational establishment, or a seasonal food  
8 service establishment.

9       (f)     Tips earned by a tipped employee may be counted as wages only up to the amount  
10 permitted in section 3(m) of the Fair Labor Standards Act, 29 U.S.C. 203(m), if the tipped  
11 employee is notified in advance, is permitted to retain all tips and the employer maintains  
12 accurate and complete records of tips received by each employee as such tips are certified by  
13 the employee monthly or for each pay period. Even if the employee refuses to certify tips  
14 accurately, tips may still be counted as wages when the employer complies with the other  
15 requirements of this section and can demonstrate by monitoring tips that the employee  
16 regularly receives tips in the amount for which the credit is taken. Tip pooling shall also be  
17 permissible among employees who customarily and regularly receive tips; however, no  
18 employee's tips may be reduced by more than fifteen percent (15%) under a tip pooling  
19 arrangement.

20       (g)     Repealed by Session Laws 2006-259, s. 18, effective August 23, 2006."

21       **SECTION 2.** This act is effective when it becomes law.