

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 353
Mar 10, 2025
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40224-LR-34C

Short Title: Fair Minimum Wage Act.

(Public)

Sponsors: Representative Morey.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT RAISING THE STATE MINIMUM WAGE AND INDEXING FOR AUTOMATIC
3 INCREASES AND REQUIRING PAYMENT OF ATTORNEYS' FEES AND COSTS IN
4 ACTIONS FOR UNPAID WAGES.

5 The General Assembly of North Carolina enacts:

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

7 "§ 95-25.3. Minimum wage.

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

- 13 (1) Effective January 1, 2026, wages of at least ten dollars (\$10.00) per hour.
- 14 (2) Effective January 1, 2027, wages of at least twelve dollars (\$12.00) per hour.
- 15 (3) Effective January 1, 2028, wages of at least fourteen dollars (\$14.00) per hour.
- 16 (4) Effective January 1, 2029, wages of at least sixteen dollars (\$16.00) per hour.
- 17 (5) Effective January 1, 2030, wages of at least eighteen dollars (\$18.00) per hour.
- 18 (6) Effective January 1, 2031, and annually thereafter, the amount determined by
19 the Commissioner of Labor under subsection (a1) of this section.

20 (a1) Beginning September 30, 2030, and on each September 30 thereafter, the
21 Commissioner of Labor shall calculate an adjusted minimum wage rate indexed to the percentage
22 increase in the Consumer Price Index (All 29 Urban Consumers, U.S. City Average for All
23 Items), CPI-I, or its successor index, as calculated by the U.S. Department of Labor for the
24 12-month period preceding the previous September 1. Each adjusted minimum wage rate
25 calculated shall be published on September 30 and take effect on the following January 1.

26"

27 SECTION 2. G.S. 95-25.22 reads as rewritten:

28 "§ 95-25.22. Recovery of unpaid wages.

29 (a) Any employer who violates the provisions of G.S. 95-25.3 (Minimum Wage),
30 G.S. 95-25.4 (Overtime), or G.S. 95-25.6 through 95-25.12 (Wage Payment) shall be liable to
31 the employee or employees affected in the amount of their unpaid minimum wages, their unpaid
32 overtime compensation, or their unpaid amounts due under G.S. 95-25.6 through G.S. 95-25.12,
33 as the case may be, plus interest at the legal rate set forth in G.S. 24-1, from the date each amount
34 first came due.

35 (a1) In addition to the amounts awarded pursuant to subsection (a) of this section, the court
36 shall award liquidated damages in an amount equal to the amount found to be due as provided in



1 subsection (a) of this section, provided that if the employer shows to the satisfaction of the court
2 that the act or omission constituting the violation was in good faith and that the employer had
3 reasonable grounds for believing that the act or omission was not a violation of this Article, the
4 court may, in its discretion, award no liquidated damages or may award any amount of liquidated
5 damages not exceeding the amount found due as provided in subsection (a) of this section.

6 (a2) Any employer who violates the provisions of G.S. 95-25.13 or any rule adopted under
7 that section shall be liable to the employee or employees affected in the amount of their actual
8 damages, including, but not limited to, lost wages and benefits plus interest and reasonable
9 attorneys' fees and costs.

10 (b) Action to recover such liability may be maintained in the General Court of Justice by
11 any one or more employees.

12 (c) Action to recover such liability may also be maintained in the General Court of Justice
13 by the Commissioner at the request of the employees affected. Any sums thus recovered by the
14 Commissioner on behalf of an employee shall be held in a special deposit account and shall be
15 paid directly to the employee or employees affected.

16 (d) The court, in any action brought under this Article ~~may, shall,~~ in addition to any
17 judgment awarded plaintiff, order costs and fees of the action and reasonable attorneys' fees to
18 be paid by the defendant. In an action brought by the Commissioner in which a default judgment
19 is entered, the clerk shall order attorneys' fees of three hundred dollars (\$300.00) to be paid by
20 the defendant.

21 The court may order costs and fees of the action and reasonable attorneys' fees to be paid by
22 the plaintiff if the court determines that the action was frivolous.

23 (e) The Commissioner is authorized to determine and supervise the payment of the
24 amounts due under this section, including interest at the legal rate set forth in G.S. 24-1, from the
25 date each amount first came due, and the agreement to accept such amounts by the employee
26 shall constitute a waiver of the employee's right to bring an action under subsection (b) of this
27 section.

28 (f) Actions under this section must be brought within two years pursuant to G.S. 1-53.

29 (g) Prior to initiating any action under this section, the Commissioner shall exhaust all
30 administrative remedies, including giving the employer the opportunity to be heard on the matters
31 at issue and giving the employer notice of the pending action."

32 **SECTION 3.** Unless otherwise provided, this act is effective when it becomes law.