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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 92

01/17/2013 Authored by Nelson, Winkler, Metsa, Radinovich, Mahoney and others  
The bill was read for the first time and referred to the Committee on Labor, Workplace and Regulated Industries

1.1 A bill for an act  
1.2 relating to employment; regulating the minimum wage; amending Minnesota  
1.3 Statutes 2012, section 177.24, subdivision 1.

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

1.5 Section 1. Minnesota Statutes 2012, section 177.24, subdivision 1, is amended to read:

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

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

1.12 (2) "Small employer" means an enterprise whose annual gross volume of sales made  
1.13 or business done is less than \$625,000 (exclusive of excise taxes at the retail level that  
1.14 are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections  
1.15 177.21 to 177.35.

1.16 (b) Except as otherwise provided in sections 177.21 to 177.35, every large employer  
1.17 must pay each employee wages at a rate of ~~at least \$5.15 an hour beginning September 1,~~  
1.18 ~~1997, and at a rate of at least \$6.15~~ \$7.50 an hour beginning August 1, 2005 2013. Every  
1.19 small employer must pay each employee at a rate of at least ~~\$4.90 an hour beginning~~  
1.20 ~~January 1, 1998, and at a rate of at least \$5.25 an hour beginning August 1, 2005.~~ A small  
1.21 and large employer must pay each employee at least the current adjusted minimum wage  
1.22 rate applicable to that employer, as calculated under paragraph (d), beginning August 1,  
1.23 2014, and each August 1 thereafter.

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  
2.3 \$4.90 an hour. The minimum wage rate under this paragraph must be adjusted annually  
2.4 beginning August 1, 2014, and each August 1 thereafter as calculated under paragraph  
2.5 (d). No employer may take any action to displace any employee, including a partial  
2.6 displacement through a reduction in hours, wages, or employment benefits, in order to  
2.7 hire an employee at the wage authorized in this paragraph.

2.8 (d) On May 30 of each year, beginning in calendar year 2014, the commissioner shall  
2.9 calculate an adjustment of the wage rates specified in paragraphs (b) and (c) to account for  
2.10 the percentage increase in the rate of inflation during the most recent 12-month period  
2.11 for which data is available. The commissioner shall determine the percentage increase in  
2.12 the rate of inflation by the Consumer Price Index for all urban consumers, United States  
2.13 city average, as prepared by the United States Department of Labor or its successor index.  
2.14 The current minimum wage rates must be increased by the same percentage, rounding to  
2.15 the nearest cent. Each adjustment to the minimum wage calculated under this paragraph  
2.16 takes effect on the next following August 1. A minimum wage rate may not be decreased  
2.17 by a calculation under this paragraph and a wage rate shall remain the same if there is a  
2.18 decrease or no change in the rate of inflation.

2.19 **EFFECTIVE DATE.** This section is effective August 1, 2013.