

1 SB295  
2 156847-1  
3 By Senators Singleton, Ross, Figures and Smitherman  
4 RFD: Business and Labor  
5 First Read: 30-JAN-14

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8 SYNOPSIS: Currently, Alabama does not have a state  
9 minimum wage law.

10 This bill establishes a state minimum wage  
11 for Alabama; provides for the enforcement of this  
12 act by the Commissioner of the Alabama Department  
13 of Labor; and also provides for civil penalties for  
14 violating the provisions of this act.

15 This bill would provide that tipped  
16 employees' wages may not fall below 30 percent of  
17 the minimum wage at any time.

18 The bill would provide for an increase  
19 commencing on January 1, 2020, and every three  
20 years thereafter based on the Consumer Price Index  
21 for July 1 of the year preceding the year of the  
22 increase.

23 The bill would require the State Finance  
24 Director to notify the Alabama Department of Labor  
25 in writing between October 1 and October 15 each  
26 year preceding a wage adjustment of the percentage

1 to be used for the cost-of-living adjustment for  
2 the next three calendar years.

3 This bill would require the Alabama  
4 Department of Labor to post any change in the state  
5 minimum wage on its website which shall serve as  
6 notice to each employer of this state.

7  
8 A BILL  
9 TO BE ENTITLED  
10 AN ACT

11  
12 To establish the Alabama Minimum Wage Act; to set  
13 the state minimum wage for hourly and tipped employees; to  
14 provide that the Commissioner of Labor shall enforce this act;  
15 to establish civil penalties for violating the provisions of  
16 this act; and to provide for an increase commencing on January  
17 1, 2020, and every three years thereafter based on the  
18 Consumer Price Index for July 1 of the year preceding the year  
19 of the increase.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. This act shall be known and may be cited  
22 as the "Alabama Minimum Wage Act."

23 Section 2. As used in this act:

24 (1) COMMISSIONER. The Commissioner of the Alabama  
25 Department of Labor.

26 (2) EMPLOY. Hire or permit to work.

27 (3) EMPLOYEE. An individual employed by an employer.

1           (4) EMPLOYER. An individual, partnership,  
2 association, corporation, business trust, legal  
3 representative, or any organized group of persons, acting  
4 directly or indirectly in the interest of an employer in  
5 relation to an employee.

6           (5) WAGES. Compensation paid to an employee in the  
7 form of legal tender of the United States or checks or drafts  
8 on banks negotiable into cash on demand or upon acceptance at  
9 full value. Wages shall not include tips or gratuities of any  
10 kind.

11           Section 3. (a) (1) Every employer shall pay to each  
12 employee who is paid on an hourly basis a rate not less than  
13 twelve dollars (\$12) per hour, beginning on the 60th day after  
14 the effective date of this act.

15           (2) The wages paid to tipped employees may not fall  
16 below 30 percent of the federal or the state minimum wage  
17 rate, whichever is greater, at any time, provided that the  
18 employee receives at least 70 percent of the current minimum  
19 wage rate in gratuities. If an employee's gratuities combined  
20 with the employer's direct wages do not equal the applicable  
21 minimum wage rate, the employer must pay the difference in the  
22 form of a tip credit.

23           (b) Beginning January 1, 2020, and every subsequent  
24 three years, the minimum wage provided in subsection (a) shall  
25 be increased by the same amount as the increase in the  
26 Consumer Price Index for Alabama as reported by the United  
27 States Department of Labor for the previous July 1, or any

1 subsequent equivalent index. The State Finance Director shall  
2 notify the Alabama Department of Labor in writing between  
3 October 1 and October 15 of each fiscal year of the percentage  
4 to be used for the cost-of-living adjustment for the next  
5 three calendar years. The Alabama Department of Labor shall  
6 post any change in the minimum wage on its website which shall  
7 serve as notice to each employer of this state.

8 Section 4. Every employer subject to the provisions  
9 of this act shall keep a summary of this act and any  
10 applicable wage orders and regulations posted in a conspicuous  
11 and accessible place in or about the premises of the  
12 employer's place of business.

13 Section 5. The provisions of this act shall be  
14 enforced by the Alabama Department of Labor under the  
15 Commissioner of Labor.

16 Section 6. The commissioner or an authorized  
17 representative of the commissioner shall have the authority  
18 to:

19 (1) Investigate and ascertain the wages of a person  
20 employed in any occupation in this state;

21 (2) Enter and inspect the place of business of an  
22 employer subject to the provisions of this act for the purpose  
23 of inspecting the payroll records of the employer;

24 (3) Require from an employer subject to this act a  
25 full and correct statement in writing with respect to wages,  
26 names, and addresses of any of the employer's employees;

1           (4) Administer rules and require by subpoena the  
2 attendance of witnesses, and the production of books, records,  
3 and other evidence relative to any matter under investigation;  
4 and

5           (5) Carry out the provisions of this act.

6           Section 7. Any employer who willfully violates any  
7 provision of this act is subject to a civil penalty of not  
8 less than five hundred dollars (\$500) nor more than one  
9 thousand dollars (\$1,000) at the discretion of the  
10 commissioner, or the commissioner's designated representative.  
11 Each and every infraction constitutes a separate and distinct  
12 violation. If the commissioner, or the commissioner's  
13 designated representative, determines that the violation was  
14 unintentional, there shall be a warning, in lieu of a penalty,  
15 on the first violation. On second or subsequent violations,  
16 the civil penalty is applicable and may be assessed at the  
17 discretion of the commissioner, or the commissioner's  
18 designated representative.

19           Section 8. Any employer who violates the minimum  
20 wage requirements of this act shall be liable to the employee  
21 or employees affected for the amount of unpaid minimum wages.  
22 Upon a judgment being rendered in favor of any employee or  
23 employees, in any action brought in any court of competent  
24 jurisdiction to recover unpaid wages under this act, such  
25 judgment shall include, in addition to the unpaid wages  
26 adjudged to be due, an additional amount equal to such wages  
27 as damages. The court, in addition to any judgment awarded to

1 the employees, shall require the defendant to pay court costs  
2 and reasonable attorney's fees incurred by the employee or  
3 employees. However, action to recover must be instituted  
4 within three years from the date such wages should have been  
5 paid.

6 Section 9. In the administration of this act, the  
7 commissioner shall cooperate, to the fullest extent consistent  
8 with this act, with the administrator of the Wage and Hour  
9 Division of the United States Department of Labor.

10 Section 10. Nothing in this act shall be deemed to  
11 interfere with, impede, or in any way diminish the right of  
12 employees to bargain collectively through representatives of  
13 their own choosing in order to establish wages in excess of  
14 the applicable minimum under this act.

15 Section 11. This act shall become effective  
16 immediately following its passage and approval by the  
17 Governor, or its otherwise becoming law.