

By: West, Royce

S.B. No. 980

A BILL TO BE ENTITLED

AN ACT

relating to the minimum wage.

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

SECTION 1. Section 62.051, Labor Code, is amended to read as follows:

Sec. 62.051. MINIMUM WAGE. (a) Except as otherwise provided by this section [~~Section 62.057~~], an employer shall pay to each employee the federal minimum wage under Section 6, Fair Labor Standards Act of 1938 (29 U.S.C. Section 206).

(b) Beginning with the calendar year beginning on January 1, 2008, and each calendar year thereafter, an employer shall pay to an employee not less than the minimum wage established under Subsection (c).

(c) On October 1, 2007, and each following October 1, the commission shall adjust the minimum wage established under Subsection (b) for inflation. The adjusted minimum wage rate shall be computed to the nearest cent using the consumer price index for urban wage earners and clerical workers (CPI-W), as computed by the United States Department of Labor for the preceding 12 months, or an analogous index adopted by the commission by rule. The commission by rule shall:

(1) describe the process used in computing inflation rates and the procedure for determining the level of inflation used in the commission's computations; and

1 (2) based on the computations under Subdivision (1),
2 set the state minimum wage for the subsequent calendar year.

3 (d) This section does not apply to compensation paid to a
4 person under Section 62.057.

5 SECTION 2. Section 62.052(a), Labor Code, is amended to
6 read as follows:

7 (a) In determining the wage of a tipped employee, the amount
8 paid the employee by the employer is the amount described by Section
9 62.051. An employer may not apply tips or gratuities bestowed on
10 employees as a credit toward payment of the minimum hourly wage
11 required by Section 62.051 [~~as paid to a tipped employee under~~
12 ~~Section 3(m), Fair Labor Standards Act of 1938 (29 U.S.C. Section~~
13 ~~203(m))~~].

14 SECTION 3. Section 62.151, Labor Code, is repealed.

15 SECTION 4. This Act takes effect September 1, 2007.