

COMMITTEE ON GOVERNMENT SERVICES,
VETERANS AND CONSUMER AFFAIRS

10/01/2015-REASSIGNED TO THE COMMITTEE ON EDUCATION AND WORKFORCE DEVELOPMENT

BILL NO. 31-0236

Thirty-first Legislature of the Virgin Islands

September 23, 2015

An Act amending title 24 Virgin Islands Code, chapter 1, pertaining to increasing the minimum wage and appointing members to the Virgin Islands Wage Board

PROPOSED BY: Senator Jean A. Forde and Kurt A. Violet
Co-Sponsors: Senators Marvin A. Blyden, Justin Harrigan, Sr.,
Myron D. Jackson and Almando “Rocky” Liburd

1 **WHEREAS**, the current federal minimum wage is \$7.25 per hour; and

2 **WHEREAS**, according to the Fair Labor Standards Act, state governments may set a
3 higher minimum wage than the federal minimum wage; and

4 **WHEREAS**, 29 states, including California, New York, New Jersey, Florida, Maryland,
5 Arkansas, Massachusetts and Oregon have enacted legislation raising their minimum wages above
6 the federal minimum wage; and

7 **WHEREAS**, the federal minimum wage has not increased since 2010, although the
8 Consumer Price Index has increased by 8% nationwide and the cost of electricity in the Virgin
9 Islands has increased 11% between February 2010 and January 2015; and

1 **WHEREAS**, the federal minimum wage has failed to keep pace with the cost of living, as
2 the minimum wage of \$1.60 which prevailed in 1968 would be the equivalent of \$10.88 in 2014
3 dollars; and

4 **WHEREAS**, the cost of living on the Virgin Islands has increased tremendously; however,
5 wages have not been adjusted accordingly, thereby causing an increased incidence in the number
6 of “working poor”; and

7 **WHEREAS**, studies have demonstrated that an increase in the minimum wage will not
8 negatively affect employment levels if the minimum wage does not exceed 50% of the average
9 wages in that jurisdiction; and

10 **WHEREAS**, increasing the minimum wage will reduce the incidence of poverty in the
11 territory and will serve to foster the declared policy of the Legislature of the Virgin Islands of
12 promoting regular employment of workers by giving the unemployed, as well as those who have
13 dropped out of the labor force, an incentive to look for work; and

14 **WHEREAS**, the “tipped employee” base minimum wage of \$2.13 an hour subjects a
15 disproportionately high share of tipped employees to low wages and a high degree of income
16 insecurity based on seasonality and the shift to which one is assigned; and

17 **WHEREAS**, a 2011 study by the Economic Policy Institute found that tipped employees
18 are twice as likely to earn incomes below the federal poverty line and are three times as likely to
19 receive benefits from the Supplemental Nutrition Assistance Program; and

20 **WHEREAS**, the Virgin Islands workforce features a significantly greater preponderance
21 of tourist service and tipped employees than the national average; Now, Therefore,

22 ***Be it enacted by the Legislature of the Virgin Islands:***

23 **SECTION 1.** Title 24 Virgin Islands Code, chapter 1, section 4, is amended as follows:

(a) in subsection (a) by striking all language after the phrase “every employer shall pay to each of his employees at a rate not less than” and by inserting : “\$8.35 per hour beginning one calendar month after the first day of the quarter immediately following the enactment of this legislation, not less than \$9.50 per hour during the year beginning January 1, 2017, not less than \$10.50 an hour during the year beginning January 1, 2018 and beginning January 1, 2019, not less than the minimum wage determined in accordance with subsection (b) of this section; but tourist service and restaurant employees who are tipped employees, employees who are less than 18 years of age, full-time high school students, and employees of businesses that have gross receipts of less than \$150,000 per year shall be paid at a rate not less than 70% of the minimum rate set in this subsection or in accordance with subsection (b) of this section.”; and

(b) in subsection (b) by striking “1990” and inserting “2018”.

SECTION 2. Title 24 Virgin Islands Code, chapter 1, is amended as follows:

(a) in section 6, subsection (f), paragraph (3), by striking all language after “regulations”;

(b) in section 7, subsection (g), by striking “48” and inserting “40”; and

(c) in section 12, by striking “deficiency” and inserting “disability”.

SECTION 3. If there are any vacancies on the Virgin Islands Wage Board on the effective date of this Act, not later than 180 days after the enactment date, the Governor shall submit to the Legislature of the Virgin Islands sufficient names to fill these vacancies. The terms of these members begin immediately upon confirmation and expire on June 30th of the third year after their confirmation.

BILL SUMMARY

Section 1 increases the minimum wage to \$8.35 per hour beginning one month after the first day of the quarter following the enactment of this legislation, and further increases said

1 minimum wage to \$9.50 per hour beginning January 1, 2017 and to \$10.50 beginning January 1,
2 2018. It also provides that beginning January 1, 2019, the Wage Board shall determine the
3 minimum wage consistent with the requirements of title 24, chapter 1. Finally, it further provides
4 that tourist service and restaurant employees who are tipped employees and other specifically
5 enumerated employees must be paid a base rate of not less than 70% of the minimum wage.

6 Section 2 provides that Wage Board members will be paid a per diem as established by
7 existing regulations, striking the clause that limits the stipend for members of the Wage Board to
8 not more than \$500 in a fiscal year and to \$750 for the chairman in a fiscal year. It also provides
9 for the reduction of the numbers of hours worked before overtime rates begin from 48 to 40 for
10 service personnel employed in the tourist service and restaurant industries and replaces the
11 reference to physical and mental “deficiencies” with the currently accepted term “disabilities.”

12 Section 3 of the bill requires the Governor to nominate members to the Wage Board within
13 180 days after the enactment of this Act, and further provides that the members’ terms begin
14 immediately upon the Legislature’s confirmation and expire on June 30th three years after.

15 **BR15-0054/September 16, 2015/SLR**

16

17

18

19

20