MISSISSIPPI LEGISLATURE

REGULAR SESSION 2023

By: Senator(s) Simmons (12th), Hickman To: Labor; Accountability,

To: Labor; Accountability, Efficiency, Transparency

SENATE BILL NO. 2284

1 AN ACT TO ENACT A MINIMUM WAGE LAW FOR THE STATE OF 2 MISSISSIPPI, WITH ANNUAL INCREMENTAL INCREASES OVER A THREE-YEAR 3 PERIOD; TO DEFINE EMPLOYERS AND EMPLOYEES SUBJECT TO THE MINIMUM 4 WAGE LAW; TO EMPOWER THE MISSISSIPPI DEPARTMENT OF EMPLOYMENT 5 SECURITY, OFFICE OF THE GOVERNOR, TO ENFORCE AND ADMINISTER THE 6 PROVISIONS OF THE MINIMUM WAGE LAW; TO PROVIDE CRIMINAL PENALTIES AND A CIVIL CAUSE OF ACTION AGAINST EMPLOYERS FOR VIOLATIONS OF 7 THE MINIMUM WAGE LAW; TO AMEND SECTION 17-1-51, MISSISSIPPI CODE 8 9 OF 1972, TO AUTHORIZE MUNICIPAL AND COUNTY GOVERNING AUTHORITIES, 10 IN THEIR DISCRETION, TO MANDATE A WAGE THAT IS MORE THAN THE STATE 11 MINIMUM WAGE; TO AMEND SECTION 25-3-40, MISSISSIPPI CODE OF 1972, 12 TO CONFORM; AND FOR RELATED PURPOSES.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

14 **SECTION 1.** This act shall be known as the Mississippi

15 Minimum Wage Act.

16 <u>SECTION 2.</u> It is declared to be the public policy of the 17 State of Mississippi to establish fair minimum wages for workers 18 in order to safeguard their health, efficiency and general 19 well-being and to protect those workers as well as their employers 20 from the effects of unfair competition resulting from wage levels 21 detrimental to their health, efficiency and well-being. 22 <u>SECTION 3.</u> (1) Except as otherwise provided in this act, 23 every employer shall pay each of its employees a fair minimum wage 24 as provided in this section.

25 (2) The state minimum wage shall be as follows:

26 (a) Beginning January 1, 2024, the rate of not less27 than Twelve Dollars (\$12.00) per hour; and

(b) Beginning January 1, 2026, the rate of not lessthan Fifteen Dollars (\$15.00) per hour.

30 (3) Whenever the highest federal minimum wage is increased, 31 the minimum wage established under this section shall be increased 32 to the amount of the federal minimum wage plus one-half of one 33 percent (1/2 of 1%) more than the federal rate, rounded to the 34 nearest whole cent, effective on the same date as the increase in 35 the highest federal minimum wage, and shall apply to all wage 36 orders and administrative regulations then in force.

(4) The rates for learners, beginners, and persons under the age of eighteen (18) years shall be not less than eighty-five percent (85%) of the state minimum wage for the first two hundred (200) hours of their employment and equal to the applicable state minimum wage thereafter, except institutional training programs specifically exempted by the director.

43 <u>SECTION 4.</u> As used in this act, unless the context otherwise 44 requires:

45 (a) "Director" means the Executive Director of the46 Mississippi Department of Employment Security.

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"Department" means the Mississippi Department of 47 (b) Employment Security, Office of the Governor, established under 48 Section 71-5-101. 49

50 "Wage" means compensation due to an employee by (C)51 reason of his or her employment, payable in legal tender of the 52 United States or checks on banks convertible into cash on demand at full face value, subject to any deductions, charges or 53 54 allowances as may be permitted by this act or by regulations of 55 the department under this act.

56

(d)

"Employ" includes to suffer or to permit to work. 57 (e) "Employer" includes any individual, partnership, 58 association, corporation, business trust, or any person or group 59 of persons acting directly or indirectly in the interest of an employer in relation to an employee. The term "employer" does not 60 61 include:

62 (i) Any individual, partnership, association, 63 corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in 64 65 relation to an employee that employs fewer than five (5) employees 66 in a regular employment relationship; or

67 (ii) Any person, firm or corporation, or other 68 entity subject to the provisions of the federal Fair Labor Standards Act of 1938. 69

70 "Independent contractor" means any individual who (f) contracts to perform certain work away from the premises of his or 71

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her employer, uses his or her own methods to accomplish the work, and is subject to the control of the employer only as to the result of his or her work.

75 (g) "Employee" includes any individual employed by an 76 employer but does not include:

(i) Any individual employed in a bona fide executive, administrative or professional capacity, or as an outside commission-paid salesperson, who customarily performs his or her services away from his or her employer's premises, taking orders for goods or services;

82 (ii) Any student performing services for any
83 school, college or university in which he or she is enrolled and
84 is regularly attending classes;

(iii) Any individual employed by the United States
or by the state or any political subdivision of the state, except
public schools and school districts;

(iv) Any individual engaged in an activity of any educational, charitable, religious or nonprofit organization where the employer/employee relationship does not in fact exist or where the service is rendered to the organization gratuitously;

92 (v) Any bona fide independent contractor; 93 (vi) Any individual employed by an agricultural 94 employer who did not use more than five hundred (500) man-days of 95 agricultural labor in any calendar quarter of the preceding 96 calendar year;

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97 (vii) The parent, spouse, child or other member of 98 an agricultural employer's immediate family; 99 (viii) An individual who: 100 Is employed as a hand-harvest laborer and 1. 101 is paid on a piece-rate basis in an operation that has been, and 102 is customarily and generally recognized as having been, paid on a 103 piece-rate basis in the region of employment; 104 2. Commutes daily from his or her permanent 105 residence to the farm on which he or she is so employed; and 106 3. Has been employed in agriculture less than 107 thirteen (13) weeks during the preceding calendar year; 108 (ix) A migrant who: Is sixteen (16) years of age or under and 109 1. is employed as a hand-harvest laborer; 110 111 2. Is paid on a piece-rate basis in an 112 operation which has been, and is customarily and generally 113 recognized as having been, paid on a piece-rate basis in the region of employment; 114 115 3. Is employed on the same farm as his or her 116 parents; and 117 4. Is paid the same piece-rate as employees 118 over age sixteen (16) are paid on the same farm; Any employee principally engaged in the range 119 (X) 120 production of livestock; or

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121 (xi) Any employee employed in planting or tending 122 trees, cruising, surveying or felling timber, or in preparing or 123 transporting logs or other forestry products to the mill, 124 processing plants, or railroad or other transportation terminal if 125 the number of employees employed by his or her employer in the 126 forestry or lumbering operations does not exceed eight (8).

(h) "Occupation" means any occupation, service, trade,
business, industry, or branch or group of industries or employment
or class of employment in which employees are gainfully employed.

(i) "Gratuities" means voluntary monetary contributions
received by an employee from a guest, patron or customer for
services rendered.

133 (j) "Man-day" means any day during any portion of which134 an employee performs any agricultural labor.

135 <u>SECTION 5.</u> Nothing in this act shall be deemed to interfere 136 with, impede, or in any way diminish the right of employers and 137 employees to bargain collectively through representatives of their 138 own choosing in order to establish wages or other conditions of 139 work.

140 **SECTION 6.** (1) Any employer who willfully:

141 (a) Hinders or delays the department or its authorized
142 representative in the performance of its duties in the enforcement
143 of this act;

144 (b) Refuses to admit the department or its authorized145 representative to any place of employment;

S. B. No. 2284 **~ OFFICIAL ~** 23/SS26/R686 PAGE 6 (ab\kr) 146 (c) Fails to make, keep and preserve any records as 147 required under the provisions of this act or to make the record 148 accessible to the department or its authorized representative upon 149 demand;

(d) Refuses to furnish a sworn statement of the record or any other information required for the proper enforcement of this act to the department or its authorized representative upon demand; or

(e) Fails to post a summary of this act or a copy of any applicable regulations as required by this act shall be deemed in violation of this act and shall, upon conviction, be fined not less than One Hundred Dollars (\$100.00) nor more than Four Hundred Dollars (\$400.00). For the purposes of this subsection, each violation shall constitute a separate offense.

160 (2) Any employer who pays or agrees to pay minimum wages at 161 a rate less than the rate applicable under this act shall be 162 guilty of a felony, and the employer shall:

(a) Be fined not less than Four Thousand Dollars
(\$4,000.00) nor more than Ten Thousand Dollars (\$10,000.00) for
each offense if the total amount of all unpaid wages owed to an
employee is more than Two Thousand Dollars (\$2,000.00);

(b) Be fined not less than Two Thousand Dollars
(\$2,000.00) nor more than Four Thousand Dollars (\$4,000.00) or the
agent or officer of the employer shall be imprisoned not more than
one (1) year, or both, for each offense if the total amount of all

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171 unpaid wages owed to an employee is more than One Thousand Dollars 172 (\$1,000.00) but not more than Two Thousand Dollars (\$2,000.00);

(c) Be fined not less than One Thousand Dollars (\$1,000.00) nor more than Two Thousand Dollars (\$2,000.00) or the agent or officer of the employer shall be imprisoned not more than six (6) months, or both, for each offense if the total amount of all unpaid wages owed to an employee is more than Five Hundred Dollars (\$500.00) but not more than One Thousand Dollars (\$1,000.00); or

(d) Be fined not less than Four Hundred Dollars (\$400.00) nor more than One Thousand Dollars (\$1,000.00) or the agent or officer of the employer shall be imprisoned not more than three (3) months, or both, for each offense if the total amount of all unpaid wages owed to an employee is Five Hundred Dollars (\$500.00) or less.

186 (3) Any employer who willfully discharges or in any other187 manner willfully discriminates against any employee because:

(a) The employee has made any complaint to his or her
employer, to the department, or to the director or his authorized
representative that he or she has not been paid minimum wages in
accordance with the provisions of this act;

(b) The employee has caused to be instituted or is
about to cause to be instituted any proceeding under or related to
this act; or

S. B. No. 2284 23/SS26/R686 PAGE 8 (ab\kr) (c) The employee has testified or is about to testify in any such proceeding, shall be deemed in violation of this act and shall, upon conviction, be fined not more than One Hundred Dollars (\$100.00).

199 <u>SECTION 7.</u> (1) For any occupation, the department shall 200 make and revise any administrative regulations, including 201 definitions of terms, as it may deem appropriate to carry out the 202 purposes of this act or necessary to prevent the circumvention or 203 evasion of those purposes and to safeguard the minimum wage rates 204 established.

205 (2) The regulations may include, but are not limited to, 206 regulations governing:

207 (a) Outside or commission salespeople;

(b) Learners and apprentices, their number, proportionor length of service;

210 (C) Part-time pay, bonuses or fringe benefits; 211 Special pay for special or extra work; (d) 212 Permitted charges to employees or allowances for (e) 213 board, lodging, apparel, or other facilities or services 214 customarily furnished by employers to employees; 215 (f) Allowances for gratuities; or 216 Allowances for other special conditions or (q)

217 circumstances that may be usual in a particular employer/employee 218 relationship.

S. B. No. 2284 23/SS26/R686 PAGE 9 (ab\kr) (3) Regulations or revisions issued by the department under this section shall be made only after a public hearing, at which any person may be heard by the department, at least ten (10) days subsequent to publication of notice of the hearing in a newspaper of general circulation throughout the State of Mississippi.

224 **SECTION 8.** The director or his or her authorized 225 representatives shall:

226 Have authority to enter and inspect the place of (a) 227 business or employment of any employer in the state for the 228 purpose of examining and inspecting any or all books, registers, 229 payrolls and other records of any employer that in any way relate 230 to or have a bearing upon the question of wages, hours or other 231 conditions of employment of any employees; copy any or all of the 232 books, registers, payrolls or other records as he or she may deem 233 necessary or appropriate; and question employees for the purpose 234 of ascertaining whether the provisions of this act and regulations 235 issued under this act have been and are being complied with;

(b) Have authority to require from the employer full
and correct statements in writing, including sworn statements,
with respect to wages, hours, names, addresses and any information
pertaining to his or her employees as the director or his or her
authorized representative may deem necessary or appropriate;

(c) Publish all regulations made by the department; and
(d) Otherwise implement and enforce the regulations and
decisions of the department.

S. B. No. 2284 **~ OFFICIAL ~** 23/SS26/R686 PAGE 10 (ab\kr) 244 <u>SECTION 9.</u> (1) Except as otherwise provided in this 245 section, no employer shall employ any of his or her employees for 246 a workweek longer than forty (40) hours unless the employee 247 receives compensation for his or her employment in excess of the 248 hours above specified at a rate not less than one and one-half 249 (1-1/2) times the regular rate of pay at which he is employed.

(2) The provisions regarding the payment of wages at one and
one-half (1-1/2) times the regular rate of pay for overtime
services shall not be applicable with respect to agricultural
employees.

254 SECTION 10. (1) Every employer of an employee engaged in 255 any occupation in which gratuities have been customarily and 256 usually constituted and have been recognized as a part of 257 remuneration for hiring purposes shall be entitled to an allowance 258 for gratuities as a part of the hourly wage rate provided in 259 Section 3 of this act in an amount not to exceed fifty percent 260 (50%) of the minimum wage established by Section 3 of this act, 261 provided that the employee actually received that amount in 262 gratuities and that the application of the foregoing gratuity 263 allowances results in payment of wages other than gratuities to 264 tipped employees, including full-time students, subject to the 265 provisions of this act, of not less than fifty percent (50%) of 266 the minimum wage prescribed by this act.

267 (2) In determining whether an employee received in268 gratuities the amount claimed, the director may require the

S. B. No. 2284 **~ OFFICIAL ~** 23/SS26/R686 PAGE 11 (ab\kr) employee to show to the satisfaction of the director that the actual amount of gratuities received by him or her during any workweek was less than the amount determined by the employer as the amount by which the wage paid the employee was deemed to be increased under this section.

274 <u>SECTION 11.</u> (1) Every employer subject to any provisions of 275 this act shall keep a summary of this act, approved by the 276 department, and copies of any applicable regulations issued under 277 this act posted in a conspicuous and accessible place in or about 278 the premises where any person subject to this act is employed.

(2) Employers shall be furnished copies of the summaries of
 this statute and regulations by the director on request without
 charge.

282 (1) Every employer subject to any provision of SECTION 12. 283 this act or of any regulation issued under this act shall make and 284 keep for a period of not less than three (3) years, in or about 285 the premises where any employee is employed, a record of the name, 286 address and occupation of each of his or her employees, the rate 287 of pay and the amount paid each pay period to each employee and 288 any other information as the department prescribes by regulation 289 as necessary or appropriate for the enforcement of the provisions 290 of this act or of the regulations under this act.

(2) The records shall be open for inspection or
 transcription by the director or his or her authorized
 representative at any reasonable time.

S. B. No. 2284 ~ OFFICIAL ~ 23/SS26/R686 PAGE 12 (ab\kr) (3) Every employer shall furnish to the director or to his or her authorized representative on demand a sworn statement of the records and information upon forms prescribed or approved by the director.

298 <u>SECTION 13.</u> (1) Any employer who pays any employee less 299 than minimum wages to which the employee is entitled under or by 300 virtue of this act shall be liable to the employee affected for 301 the full amount of the wages, less any amount actually paid to the 302 employee by the employer, and for costs and reasonable attorney's 303 fees as may be allowed by the court.

304 (2) Any agreement between the employee and employer to work
305 for less than minimum wages shall be no defense to the action.
306 (3) The venue of the action shall lie in the circuit court
307 of any county in which the services which are the subject of the
308 employment were performed.

309 (4) The director shall have the authority to fully enforce 310 this act by instituting legal action to recover any wages which he 311 or she determines to be due to employees under this act.

312 SECTION 14. Section 17-1-51, Mississippi Code of 1972, is 313 amended as follows:

314 17-1-51. (1) No county, board of supervisors of a county, 315 municipality or governing authority of a municipality is 316 authorized to establish a mandatory, minimum living wage rate 317 <u>lower than the rate provided in Section 3 of this act</u>, minimum 318 number of vacation or sick days, whether paid or unpaid, that

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319 would regulate how a private employer pays its employees. Each 320 county, board of supervisors of a county, municipality or 321 governing authority of a municipality shall be prohibited from 322 establishing a mandatory, minimum living wage rate <u>lower than the</u> 323 <u>rate provided in Section 3 of this act</u>, minimum number of vacation 324 or sick days, whether paid or unpaid, that would regulate how a 325 private employer pays its employees.

326 (2) The Legislature finds that the prohibitions of 327 subsection (1) of this section are necessary to ensure an economic 328 climate conducive to new business development and job growth in 329 the State of Mississippi while protecting the health and 330 well-being of workers. * * *

331 * * *

332 (* * *3) The Legislature concludes from *** * *** this finding 333 that, in order for a business to remain competitive and yet 334 attract and retain the highest possible caliber of employees, and 335 thereby remain sound, an enterprise must work in * * * an environment * * * that respects its workers and that encourages 336 337 the payment of fair minimum wage rates * * *. The net impact of 338 any local * * * wages * * * greater than the rate provided in 339 Section 3 of this act will be economically * * * stable and create 340 a * * * rise and increase in the standard of living for the citizens of the state. * * * 341

342 **SECTION 15.** Section 25-3-40, Mississippi Code of 1972, is 343 amended as follows:

S. B. No. 2284 **~ OFFICIAL ~** 23/SS26/R686 PAGE 14 (ab\kr) 25-3-40. On July 1, 1978, and each year thereafter, the Mississippi Compensation Plan shall be amended to provide salary increases in such amounts and percentages as might be recommended by the Legislative Budget Office and as may be authorized by funds appropriated by the Legislature for the purpose of granting incentive salary increases as deemed possible dependent upon the availability of general and special funds.

351 It is hereby declared to be the intent of the Mississippi 352 Legislature to implement the minimum wage as enacted by statutory 353 law of the United States Congress subject to funds being available 354 for that purpose. It is further the intent of the Legislature to 355 implement the state minimum wage as provided in Section 3 of this 356 act. It is the intent and purpose of this section to maximize 357 annual salary increases consistent with the availability of funds 358 as might be determined by the Mississippi Legislature at its 359 regular annual session and that all salary increases hereafter be 360 made consistent with the provisions of this section.

361 **SECTION 16.** This act shall take effect and be in force from 362 and after July 1, 2023.