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OFFICE WEST VIRGINIA SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 2014

ENROLLED

House Bill No. 201

(By Mr. Speaker, (Mr. Miley) and Delegate Armstead) (By Request of the Executive)

Passed May 21, 2014

In effect from passage.

FILED

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OFFICE WEST VIRGINA SECRETARY OF STATE

ENROLLED

H. B. 201

(BY MR. SPEAKER, (MR. MILEY)

AND DELEGATE ARMSTEAD)

[BY REQUEST OF THE EXECUTIVE]

[Passed May 21, 2014; in effect from passage.]

AN ACT to amend and reenact §21-5C-1, §21-5C-2 and §21-5C-4 of the Code of West Virginia, 1931, as amended, as contained in chapter one hundred twenty-four, Acts of the Legislature, regular session, 2014, and to amend and reenact §21-5C-6 of said code, all relating to the application of minimum wage and maximum hour standards; modifying the definition of the term "employer"; clarifying the definition of the term "hours worked"; clarifying operative dates; requiring legislative rules; and authorizing promulgation of emergency rules.

Be it enacted by the Legislature of West Virginia:

That §21-5C-1, §21-5C-2 and §21-5C-4 of the Code of West Virginia, 1931, as amended, as contained in chapter one hundred

twenty-four, Acts of the Legislature, regular session, 2014, be amended and reenacted, and that §21-5C-6 of said code be amended and reenacted, all to read as follows:

ARTICLE 5C. MINIMUM WAGE AND MAXIMUM HOURS STANDARDS FOR EMPLOYEES.

§21-5C-1. Definitions.

- 1 As used in this article:
- (a) "Commissioner" means the Commissioner of Labor or
 his or her duly authorized representatives.
- 4 (b) "Wage and hour director" means the wage and hour 5 director appointed by the Commissioner of Labor as chief of the
- 6 Wage and Hour Division.
- 7 (c) "Wage" means compensation due an employee by reason 8 of his or her employment.
- 9 (d) "Employ" means to hire or permit to work.
- 10 (e) "Employer" includes the State of West Virginia, its
- 11 agencies, departments and all its political subdivisions, any
- 12 individual, partnership, association, public or private
- 13 corporation, or any person or group of persons acting directly or
- 14 indirectly in the interest of any employer in relation to an
- 15 employee; and who employs during any calendar week six or
- 16 more employees as herein defined in any one separate, distinct
- 17 and permanent location or business establishment: Provided,
- 18 That prior to January 1, 2015, the term "employer" does not include any individual, partnership, association, corporation,
- 20 person or group of persons or similar unit if eighty percent of the
- 21 persons employed by him or her are subject to any federal act
- 22 relating to minimum wage, maximum hours and overtime
- 23 compensation: Provided, however, That after December 31,
- 24 2014, for the purposes of section three of this article, the term
- 25 "employer" does not include any individual, partnership,
- 26 association, corporation, person or group of persons or similar

27 unit if eighty percent of the persons employed by him or her are 28 subject to any federal act relating to maximum hours and 29 overtime compensation.

30 (f) "Employee" includes any individual employed by an 31 employer but shall not include: (1) Any individual employed by 32 the United States; (2) any individual engaged in the activities of 33 an educational, charitable, religious, fraternal or nonprofit 34 organization where the employer-employee relationship does not 35 in fact exist, or where the services rendered to such organizations 36 are on a voluntary basis; (3) newsboys, shoeshine boys, golf 37 caddies, pinboys and pin chasers in bowling lanes; (4) traveling 38 salesmen and outside salesmen; (5) services performed by an individual in the employ of his or her parent, son, daughter or 39 40 spouse; (6) any individual employed in a bona fide professional, 41 executive or administrative capacity; (7) any person whose 42 employment is for the purpose of on-the-job training; (8) any 43 person having a physical or mental handicap so severe as to 44 prevent his or her employment or employment training in any 45 training or employment facility other than a nonprofit sheltered 46 workshop; (9) any individual employed in a boys or girls 47 summer camp; (10) any person sixty-two years of age or over 48 who receives old-age or survivors benefits from the Social 49 Security Administration; (11) any individual employed in 50 agriculture as the word agriculture is defined in the Fair Labor 51 Standards Act of 1938, as amended; (12) any individual 52 employed as a firefighter by the state or agency thereof; (13) 53 ushers in theaters; (14) any individual employed on a part-time 54 basis who is a student in any recognized school or college; (15) 55 any individual employed by a local or interurban motorbus 56 carrier; (16) so far as the maximum hours and overtime 57 compensation provisions of this article are concerned, any salesman, parts man or mechanic primarily engaged in selling or 59 servicing automobiles, trailers, trucks, farm implements, aircraft 60 if employed by a nonmanufacturing establishment primarily 61 engaged in the business of selling such vehicles to ultimate 62 purchasers; (17) any employee with respect to whom the United 63 States Department of Transportation has statutory authority to

- 64 establish qualifications and maximum hours of service; (18) any 65 person employed on a per diem basis by the Senate, the House 66 of Delegates, or the Joint Committee on Government and 67 Finance of the Legislature of West Virginia, other employees of 68 the Senate or House of Delegates designated by the presiding officer thereof, and additional employees of the Joint Committee 69 on Government and Finance designated by such joint committee; 70 71 or (19) any person employed as a seasonal employee of a 72 commercial whitewater outfitter where the seasonal employee 73 works less than seven months in any one calendar year and, in 74 such case, only for the limited purpose of exempting the seasonal 75 employee from the maximum wage provisions of section three 76 of this article.
- 77 (g) "Workweek" means a regularly recurring period of one 78 hundred sixty-eight hours in the form of seven consecutive 79 twenty-four hour periods, need not coincide with the calendar 80 week, and may begin any day of the calendar week and any hour 81 of the day.
- 82 (h) "Hours worked" means the hours for which an employee 83 is employed: Provided, That in determining hours worked for the 84 purposes of sections two and three of this article, there shall be 85 excluded any time spent in changing clothes or washing at the 86 beginning or end of each workday, time spent in walking, riding 87 or traveling to and from the actual place of performance of the 88 principal activity or activities which such employee is employed 89 to perform and activities which are preliminary to or 90 postliminary to said principal activity or activities, subject to 91 such exceptions as the commissioner may by rules and 92 regulations define.

§21-5C-2. Minimum wages.

- 1 (a) Minimum wage:
- 2 (1) After June 30, 2006, every employer shall pay to each of
- 3 his or her employees wages at a rate not less than \$5.85 per hour.

- 4 (2) After June 30, 2007, every employer shall pay to each of 5 his or her employees wages at a rate not less than \$6.55 per hour.
- 6 (3) After June 30, 2008, every employer shall pay to each of 7 his or her employees wages at a rate not less than \$7.25 per hour.
- 8 (4) After December 31, 2014, every employer shall pay to 9 each of his or her employees wages at a rate not less than \$8.00 10 per hour.
- 11 (5) After December 31, 2015, every employer shall pay to 12 each of his or her employees wages at a rate not less than \$8.75 13 per hour.
- 14 (6) When the federal minimum hourly wage as prescribed by 15 29 U.S.C. §206 (a) (1) is equal to or greater than the wage rate 16 prescribed in the applicable provision of this subsection, every 17 employer shall pay to each of his or her employees wages at a 18 rate of not less than the federal minimum hourly wage as 19 prescribed by 29 U.S.C. §206 (a) (1). The minimum wage rates 20 required under this subsection shall be thereafter adjusted in 21 accordance with adjustments made in the federal minimum 22 hourly rate. The adoption of the federal minimum wage provided 23 by this subsection includes only the federal minimum hourly rate 24 prescribed in 29 U.S.C. §206 (a) (1) and does not include other 25 wage rates, or conditions, exclusions, or exceptions to the federal 26 minimum hourly wage rate. In addition, adoption of the federal 27 minimum hourly wage rate does not extend or modify the scope 28 or coverage of the minimum wage rate required under this 29 subsection.

(b) Training wage:

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31 (1) Notwithstanding the provisions set forth in subsection (a) 32 of this section to the contrary, an employer may pay an 33 employee first hired after June 30, 2006, a subminimum training 34 wage not less than \$5.15 per hour: *Provided*, That an employer

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- may pay an employee first hired after December 31, 2014, a subminimum training wage not less than \$6.40 per hour.
- 37 (2) An employer may not pay the subminimum training 38 wage set forth in subdivision (1) of this subsection to any 39 individual:
- 40 (A) Who has attained or attains while an employee of the 41 employer, the age of twenty years; or
- 42 (B) For a cumulative period of not more than ninety days per 43 employee: *Provided*, That if any business has not been in 44 operation for more than ninety days at the time the employer 45 hired the employee, the employer may pay the employee the 46 subminimum training wage set forth in subdivision (1) of this 47 subsection for an additional period not to exceed ninety days.
- 48 (3) When the federal subminimum training wage as 49 prescribed by 29 U.S.C. §206 (g) (1) is equal to or greater than 50 the wage rate prescribed in subdivision (1) of this subsection, 51 every employer shall pay to each of his or her employees wages 52 at a rate of not less than the federal subminimum training wage 53 as prescribed by 29 U.S.C. §206 (g) (1). The subminimum 54 training wage rates required under this subsection shall be 55 thereafter adjusted in accordance with adjustments made in the 56 federal subminimum training wage rate. The adoption of the 57 federal subminimum training wage provided by this subsection 58 includes only the federal subminimum training wage rate 59 prescribed in 29 U.S.C. §206 (g) (1) and does not include other 60 wage rates, or conditions, exclusions, or exceptions to the federal 61 subminimum training wage rate. In addition, adoption of the 62 federal subminimum training wage rate does not extend or 63 modify the scope or coverage of the subminimum training wage rate required under this subsection.
 - (c) Notwithstanding any provision or definition to the contrary, the wages established pursuant to this section are applicable to all individuals employed by the State of West

- Virginia, its agencies and departments, regardless if the 68
- 69 employee or employer are subject to any federal act relating to
- 70 minimum wage: Provided, That at no time may the minimum
- 71 wage established pursuant to this section fall below the federal
- 72 minimum hourly wage as prescribed by 29 U.S.C. §206(a)(1),
- 73 and at no time may the subminimum training wage established
- 74 pursuant to this section fall below the federal subminimum
- 75 training wage rate as prescribed by 29 U.S.C. §206 (g) (1).

§21-5C-4. Credits.

1 Prior to January 1, 2015, in determining whether an

employer is paying an employee wages and overtime

compensation as provided in sections two and three of this

4 article, there shall be provided in accordance with the regulations

5 which shall be promulgated by the commissioner a credit to the

employer of twenty percent of the hourly rate of the amount paid

an employee customarily receiving gratuities, and a reasonable

credit for board and lodging furnished to an employee: Provided,

That after December 31, 2014, in determining whether an

10 employer is paying an employee wages and overtime

compensation as provided in sections two and three of this 11 12

article, there shall be provided in accordance with the legislative

13 rules proposed for promulgation by the commissioner a credit to

the employer of seventy percent of the hourly rate of the amount 14

15 paid an employee customarily receiving gratuities, and a

16 reasonable credit for board and lodging furnished to an

17 employee. The commissioner shall propose legislative rules for 18

promulgation relating to maximum allowances to employers for 19 room and board furnished to employees: Provided, however,

20 That the employer shall be required to furnish to the

21 commissioner upon request, documentary evidence that the

22 employee is receiving at least seventy percent of the minimum

23 wage in gratuities or is receiving room and lodging in

24 accordance with the rules and regulations promulgated by the

25 commissioner. 15

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§21-5C-6. Duties and powers of commissioner of labor.

- (a) It shall be the duty of the commissioner to enforce and 1 2 administer the provisions of this article and rules promulgated thereunder, and to promulgate such rules and regulations, in 3 accordance with chapter twenty-nine-a of the Code of West 4 5 Virginia, 1931, as amended, as shall be needful to give effect to the provisions of this article. The commissioner is authorized to promulgate emergency rules prior to January 1, 2015, to 7 implement and administer the amendments made to this article in 2014. If the commissioner makes a finding that a conflict exists between state and federal standards defining employee exemptions, the commissioner is further authorized to 11 12 promulgate emergency rules prior to January 1, 2015, for the 13 purpose of revising the state standards to conform with federal law. 14
 - (b) The commissioner is authorized at reasonable times to enter the place of business of an employer subject to the provisions of this article, for purposes of: (1) Inspecting and examining, and copying, photographing or otherwise reproducing all payroll records of the employer directly relating to wages and hours of employment of persons employed by him or her; (2) questioning or otherwise examining persons employed by the employer on the subject of wages and hours of their employment, and gratuities received or earned in such employment.
 - (c) The commissioner is authorized and empowered to make investigations to determine whether there is reasonable cause to believe that any person is an employer as defined in section one of this article, or whether there is reasonable cause to believe that any provision of this article is being or has been violated.
- (d) The commissioner is authorized and empowered to file
 criminal complaints against persons whom the commissioner has

- reasonable cause to believe have committed any offense created or defined by the provisions of this article.
- 34 (e) The commissioner is authorized and empowered to 35 institute civil actions seeking appropriate injunctive relief to 36 compel an employer subject to this article to comply with the 37 provisions of this article.
- 38 (f) The commissioner shall enforce and administer the 39 provisions of this article in accordance with chapter twenty-nine-40 a of this code. The commissioner or his or her authorized 41 representatives are empowered to enter and inspect such places, 42 question such employees and investigate such facts, conditions, 43 or matters as they may deem appropriate, to determine whether 44 any person, firm or corporation has violated any provision of this 45 article, or any rule or regulation issued hereunder or which may aid in the enforcement of the provisions of this article. 46

| That Joint Committee on Enrolled Bills hereby certifies that the |
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| foregoing bill is correctly enrolled. |
| Chairman, House Committee |
| Chkirmun, Senate Committee |
| Originating in the House. |
| In effect from passage. |
| Clerk of the House of Delegates Clerk of the Sonate Speaker of the House of Delegates Fresident of the Senate |
| the within sapproved this the 29th day of, 2014. |
| Governor Tombung |

PRESENTED TO THE GOVERNOR

MAY 2 3 2014

7:40 pm