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News Release

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Governor Tomblin Should Sign Minimum Wage Increase

Lobbyist "Headaches" in Minimum Wage Bill Largely Groundless

[Charleston, WV] – On March 8, West Virginia lawmakers took an historic step to help thousands of workers by increasing the state minimum wage from \$7.25 to \$8.75 by 2016 with passage of House Bill 4283. Now, special-interest lobbyists may be using a flawed memo to make a last ditch effort to get Governor Earl Ray Tomblin to veto the bill. Fortunately, many of the so-called "headaches" cited in the memo are good for working families as they align West Virginia's minimum wage laws to other states. This is according to a response released today by the National Employment Law Project and West Virginia Center on Budget and Policy.

On March 19, well after the legislative session had ended, Brian Peterson, an attorney for Bowles Rice, wrote an <u>Employment Law Alert</u> claiming the proposed minimum wage law would cause headaches for West Virginia employers. According to the memo, the "unintended consequences" of HB 4283 are that some employers will have to pay their workers overtime, comply with new regulations, and will now pay their workers above the federal minimum wage. The memo contains many groundless claims. For example, it states that firefighters are *not* exempt from the state's overtime statue when West Virginia law specifically excludes firefighters from overtime pay (WV Code § 21-5C-1(f)(12)).

West Virginia was the only state that exempted virtually all employers from the state minimum wage. Getting rid of this outdated exemption should be celebrated as a win, making the state's labor law more transparent to employers and employees alike. By striking this clause, for the first time the code allows the state to protect workers by ensuring businesses comply with wage laws. Additionally, Peterson goes on to cite different categories of employees newly affected by the law. Again, to be clear, West Virginia isn't doing anything different from other states.

"This bill means that the state's minimum wage law actually covers employers in the state -- which is a no brainer," said Tsedeye Gebreselassie, staff attorney at the National Employment Law Project. "Many – if not a majority – of states have stronger worker provisions than the federal minimum wage law, including fewer exemptions and higher minimum wage rates among other provisions."

Peterson's memo also fails to acknowledge that employers will not be burdened with understanding vast new regulations. The West Virginia Division of Labor is charged with drafting a clear outline of the changes for businesses. These rules have to be updated whenever the wage law changes and will presumably be published if <u>HB 4283</u> becomes law. Additionally, many of the cited employees already have special provisions under the proposed law.

"The Governor should not use this fundamentally flawed memo to deny a much needed raise to over 125,000 hard working families," said Ted Boettner, executive director of the West Virginia Center on Budget and Policy. "If there are any small technical issues with the bill, they could easily be worked out during the legislature rules process. We should not throw out the baby with the bathwater."

Link to NELP response: http://www.wvpolicy.org/wp-content/uploads/2014/03/NELP-memo-on-HB-4283-March-24-2013-3-1.pdf

Info on passage of bill: <u>HB 4283</u> passed the House with bi-partisan support by a vote of 89-5, 6 not voting. An amended minimum wage bill, which included the change to the employer definition outlined above, passed the Senate with a vote of 32-1, 1 member absent. The final Senate vote on the House version of <u>HB 4283</u> passed 20-14.