

COMMITTEE ON GOVERNMENT SERVICES,  
VETERANS AND COMSUMER 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

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

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- 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 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 an incentive to look for  
13 work; Now, Therefore,

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

15           **SECTION 1.** Title 24 Virgin Islands Code, chapter 1, section 2 is amended by adding a  
16 definition of “tipped employee” to read:

17           “tipped employee” means any employee who customarily and regularly receives more than  
18 \$70 per month in income from gratuities received from a guest, patron, or customer for services  
19 rendered.

20           **SECTION 2.** Title 24 Virgin Islands Code, chapter 1, section 4, is amended as follows:  
21 in subsection (a) by striking all language after the phrase “every employer shall pay to each of his  
22 employees at a rate not less than” and by inserting : “\$8.35 per hour beginning one calendar month  
23 after the first day of the quarter immediately following the enactment of this legislation, not less  
24 \$9.50 per hour during the year beginning January 1, 2016, not less than \$10.50 per hour during the  
25 year beginning January 1, 2017, and not less than the minimum wage determined in accordance

1 with subsection (b) of this section; but tourist service and restaurant employees who are tipped  
2 employees, employees who are less than 18 years of age, full-time high school students, and  
3 employees of businesses that have gross receipts of less than \$150,000 per year shall be paid at a  
4 rate not more than \$.35 per hour under the minimum rate set in this subsection or in accordance  
5 with subsection (b)”; and in subsection (b) by striking “1990” and inserting “2017”.

6 **SECTION 3.** Title 24 Virgin Islands Code, chapter (a), is amended as follows:

7 Section 6, subsection (f), paragraph (3), is amended by striking all language after  
8 “regulations”;

9 Section 7, subsection (g), is amended by striking “48” and inserting “40”; and

10 Section 12 is amended by striking “deficiency” and inserting “disability

11 **SECTION 4.** If there are any vacancies on the Virgin Islands Wage Board on the effective  
12 date of this Act, not later than 45 days after the enactment date, the Governor shall submit to the  
13 Legislature of the Virgin Islands sufficient names to fill these vacancies. The terms of these  
14 members begin immediately upon confirmation by the Legislature and expire on June 30<sup>th</sup> of the  
15 third year after their confirmation.

16 **BILL SUMMARY**

17 This bill increases the minimum wage to \$8.35 per hour beginning one month after the first  
18 day of the quarter following the enactment of this legislation, and further increases said minimum  
19 wage to \$9.50 per hour beginning January 1, 2016. Further, the bill provides that beginning  
20 January 1, 2017, the Virgin Islands Wage Board will set the minimum wage in accordance with  
21 the provisions of 24 VIC 4(b). It also provides that the Wage Board may prescribe overtime pay  
22 for tipped tourism service and restaurant employees after 40 hours per week as opposed to the 48  
23 hours per week established in current territorial law. Title 24 Virgin Islands Code, chapter 1,  
24 section 12 is also amended by replacing the reference to physical and mental “deficiencies” with  
25 the currently accepted term “disabilities.” Finally, the bill requires the Governor to nominate

1 members to the Wage Board within 45 days after the enactment of this Act, and further provide  
2 that the members' terms begin immediately upon the Legislature's confirmation and expire on  
3 June 30<sup>th</sup> three years after.

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5 **BR15-0054/September 18, 2015/SLR**

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