

# ACT NO. 7856

**BILL NO. 31-0236**

## **THIRTY-FIRST LEGISLATURE OF THE VIRGIN ISLANDS**

**Regular Session**

**2016**

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

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

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

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

**WHEREAS**, the federal minimum wage has failed to keep pace with the cost of living, as the minimum wage of \$1.60 which prevailed in 1968 would be the equivalent of \$10.94 in 2015; and

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

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

**WHEREAS**, increasing the minimum wage will reduce the incidence of poverty in the Territory and will serve to foster the declared policy of the Legislature of the Virgin Islands of

promoting regular employment of workers by giving the unemployed, as well as those who have dropped out of the labor force, an incentive to look for work; and

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

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

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

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

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

(a) in subsection (a) after the first occurrence of “employee” by inserting “including employees who are less than 18 years of age or full-time high school students” and by striking all language after the phrase “every employer shall pay to each of his employees at a rate not less than” and inserting: “\$8.35 per hour beginning 90 days immediately following the effective date of this subsection, not less than \$9.50 per hour beginning June 1, 2017, not less than \$10.50 an hour during the year beginning June 1, 2018, and beginning June 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, must be paid a minimum wage set in this subsection or in accordance with subsection (b) at a rate not less than 40% of the minimum wage. After 2020, the Virgin Islands Wage Board may, based on verifiable economic data, adjust the minimum wage for tourist service and restaurant employees who are tipped employees to a rate not greater than 45% of the minimum wage or less than the federal minimum wage for tipped employees; 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 the 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 the vacancies.

Thus passed by the Legislature of the Virgin Islands on February 25, 2016.

Witness our Hands and Seal of the Legislature of the Virgin Islands this 11<sup>th</sup> Day of March, A.D., 2016.



*Neville James*  
Neville James  
President

*Myron D. Jackson*  
Myron D. Jackson  
Legislative Secretary



Bill No. 31-0236 is hereby approved.

Witness my hand and the Seal of the Government of the United States Virgin Islands at Charlotte Amalie, St. Thomas, this 23<sup>rd</sup> day of March, A.D., 2016.

*Kenneth E. Mapp*  
Kenneth E. Mapp  
Governor