

1 AN ACT relating to the establishment of minimum wages by local governments.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔Section 1. KRS 65.016 is amended to read as follows:

4 (1) The legislative body of any city, county, consolidated local government, urban-
5 county government, charter county government, or unified local government shall
6 not have the authority to require any employer to pay to an employee a certain wage
7 or fringe benefit other than as determined by the employer, except as provided in
8 subsection (2) of this section.

9 (2) The legislative body of any city, county, urban-county government, consolidated
10 local government, charter county government, or unified local government may
11 adopt and enforce an ordinance that requires a minimum wage that is greater
12 than the level established by subsection (1)(a) of Section 2 of this Act.

13 ➔Section 2. KRS 337.275 is amended to read as follows:

14 (1) Except as may otherwise be provided by this chapter, every employer shall pay to
15 each of his or her employees wages at a rate of:

16 (a) [Not less than five dollars and eighty five cents (\$5.85) an hour beginning
17 on June 26, 2007, not less than six dollars and fifty five cents (\$6.55) an hour
18 beginning July 1, 2008, and not less than]seven dollars and twenty-five cents
19 (\$7.25) an hour[beginning July 1, 2009]; or

20 (b) If the legislative body of the city, county, urban-county government,
21 consolidated local government, charter county government, or unified local
22 government where the employer is located has adopted an ordinance that
23 requires a minimum wage greater than that established by paragraph (a) of
24 this subsection pursuant to the authority granted by Section 1 of this Act,
25 not less than the minimum wage established by the legislative body. If both
26 the legislative body of a county or a merged government and the legislative
27 body of a city within that county have adopted an ordinance under the

1 authority granted by Section 1 of this Act, then the provisions of the
2 ordinance establishing the highest minimum wage shall prevail within the
3 boundaries of the city.

4 If the federal minimum hourly wage as prescribed by 29 U.S.C. sec. 206(a)(1) is
5 increased in excess of the minimum hourly wage in effect under this subsection, the
6 minimum hourly wage under this subsection shall be increased to the same amount,
7 effective on the same date as the federal minimum hourly wage rate. If the state
8 minimum hourly wage is increased to the federal minimum hourly wage, it shall
9 include only the federal minimum hourly rate prescribed in 29 U.S.C. sec. 206(a)(1)
10 and shall not include other wage rates or conditions, exclusions, or exceptions to the
11 federal minimum hourly wage rate. In addition, the increase to the federal minimum
12 hourly wage rate does not extend or modify the scope or coverage of the minimum
13 wage rate required under this chapter.

14 (2) Notwithstanding the provisions of subsection (1) of this section, for any employee
15 engaged in an occupation in which he or she customarily and regularly receives
16 more than thirty dollars (\$30) per month in tips from patrons or others, the
17 employer may pay as a minimum not less than the hourly wage rate required to be
18 paid a tipped employee under the federal minimum hourly wage law as prescribed
19 by 29 U.S.C. sec. 203. The employer shall establish by his or her records that for
20 each week where credit is taken, when adding tips received to wages paid, not less
21 than the minimum rate prescribed in 29 U.S.C. sec. 203 was received by the
22 employee. No employer shall use all or part of any tips or gratuities received by
23 employees toward the payment of the statutory minimum hourly wage as required
24 by 29 U.S.C. sec. 203. Nothing, however, shall prevent employees from entering
25 into an agreement to divide tips or gratuities among themselves.