

BILL ANALYSIS

Senate Research Center
77R1861 AEI-D

H.B. 533
By: Thompson (Sibley)
Business & Commerce
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Engrossed

DIGEST AND PURPOSE

The Texas Minimum Wage Act provides that the current state minimum wage is \$3.35 per hour for nonexempt employees and \$1.68 per hour for tipped employees. In comparison, the Fair Labor Standards Act of 1938 (FLSA) provides that the current federal minimum wage for nonexempt employees is \$5.15 per hour and \$2.13 per hour for tipped employees. H.B. 533 increases the state minimum wage rate to the federal minimum wage rate and makes state minimum wage amounts subject to FLSA standards.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 62.051, Labor Code, to require an employer, except as provided by Sections 62.055 and 62.057, to pay to each employee the federal minimum wage under Section 6, Fair Labor Standards Act of 1938 (29 U.S.C. Section 206). Deletes text regarding a wage not less than \$3.35 an hour.

SECTION 2. Amends Section 62.052(a), Labor Code, to provide that the amount paid the employee by the employer is the amount described as paid to a tipped employee under Section 3(m), Fair Labor Standards Act of 1938 (29 U.S.C. Section 203(m)). Deletes text regarding tips by an amount determined by the employer.

SECTION 3. Effective date: September 1, 2001.