

# STATE OF NEW YORK

2035

2017-2018 Regular Sessions

## IN SENATE

January 11, 2017

Introduced by Sens. SQUADRON, HOYLMAN, PARKER, PERKINS, STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Labor

AN ACT to amend the labor law, in relation to establishing a living wage rate

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The labor law is amended by adding a new article 19-D to read as follows:

### ARTICLE 19-D FAIR WAGES ACT

#### Section 696. Definitions.

696-a. Living wage rate.

696-b. Payment of living wage.

696-c. Implementation.

696-d. Commissioner's powers of investigation.

696-e. Civil action.

§ 696. Definitions. For the purposes of this article, the term:

1. "Employer" means a formula retail store, large employer, transportation business, or franchisee or subcontractor, and includes any individual, partnership, association, corporation, limited liability company, business trust, legal representative, or any organized group of persons acting as employer.

2. "Formula retail store" means any employer that operates a retail sales or restaurant establishment either directly or through franchisees and that, along with eleven or more other retail sales or restaurant establishments located in the United States, maintains two or more of the following features: (a) a standardized array of merchandise, a standardized facade, a standardized decor and color scheme, a uniform apparel, standardized signage, a trademark; or (b) a servicemark.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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1     3. "Large employer" means any employer that has annual gross revenue  
2 of fifty million dollars or more, but shall not include (a) an employer  
3 whose principal industry is manufacturing; or (b) a not-for-profit  
4 organization. An employer shall be deemed to have annual gross revenue  
5 of fifty million dollars or more if it had revenue at or exceeding that  
6 level in any of the past three fiscal or calendar years.

7     4. "Manufacturing" means the process of working raw materials into  
8 products suitable for use or which gives new shapes, new quality or new  
9 combinations to matter which has already gone through some artificial  
10 process by the use of machinery, tools, appliances, or other similar  
11 equipment.

12     5. "Not-for-profit organization" means an entity exempt from taxation  
13 under section 501(c)(3) of the federal internal revenue code.

14     6. "Transportation business" means any industry, business, or estab-  
15 lishment operated for the purpose of conveying persons or property from  
16 one place to another whether by rail, highway, air, or water, and all  
17 operations and services in connection therewith.

18     7. "Franchisee or subcontractor" means any employer that operates  
19 under a franchise agreement with a formula retail store or large employ-  
20 er, or that provides services, including but not limited to janitorial,  
21 maintenance, security, staffing, passenger services, food services, or  
22 temporary services to a formula retail store, large employer, or trans-  
23 portation business.

24     8. "Employee" has the meaning provided in subdivision five of section  
25 six hundred fifty-one of this chapter.

26     9. "Living wage rate" shall have the meaning set forth in section six  
27 hundred ninety-six-a of this title.

28     § 696-a. Living wage rate. 1. Beginning on December first, two thou-  
29 sand twenty-one, the living wage rate shall be an hourly rate of fifteen  
30 dollars.

31     2. No later than January first of each successive year, the commis-  
32 sioner shall calculate and establish an adjusted living wage rate by  
33 increasing the then current living wage rate by the rate of inflation  
34 for the most recent twelve month period available prior to each January  
35 first using the Consumer Price Index-All Urban Consumers, CPI-U, or a  
36 successor index as calculated by the United States department of labor,  
37 if such rate of inflation is greater than zero percent, or, if greater,  
38 such other wage as may be established by federal law pursuant to 29  
39 U.S.C. section 206 or its successors or such other wage as may be estab-  
40 lished in accordance with the provisions of this article.

41     § 696-b. Payment of living wage. 1. An employer shall pay employees an  
42 hourly wage of no less than the living wage rate for each hour that the  
43 employee works within the geographic boundaries of the state.

44     2. Notwithstanding subdivision one of this section, employers shall  
45 pay employees who customarily and regularly receive tips no less than  
46 seventy percent of the living wage rate, rounded to the nearest five  
47 cents, provided that at all times the combination of the cash wage paid  
48 by the employer and the tips received by the employee totals no less  
49 than the living wage rate for each hour worked within the geographic  
50 boundaries of the state. Such calculation may be made based on the  
51 total wages and tips received by the employee over the course of his or  
52 her shift.

53     3. Formula retail stores, large employers, and transportation busi-  
54 nesses shall be jointly and severally responsible for any violation of  
55 this article by a franchisee or subcontractor of the formula retail  
56 store, large employer or transportation business.

1     4. The provisions of this section may be waived by the written terms  
2 of a bona fide collective bargaining agreement.

3     § 696-c. Implementation. 1. By December first of each year, the state  
4 shall publish and make available to employers a bulletin announcing the  
5 adjusted living wage and benefits rate for the upcoming year, which  
6 shall take effect on January first.

7     2. By December first of each year, the state shall publish and make  
8 available to employers, in English and Spanish, and on-line, a notice  
9 suitable for posting in the workplace informing employees of the current  
10 living wage and of their rights under this article.

11     3. Every employer shall post in a conspicuous place at any workplace  
12 or job site where an employee works the notice published each year by  
13 the agency informing employees of the current living wage and of their  
14 rights under this article. Every large employer shall post such notices  
15 in English and Spanish.

16     4. Employers shall retain payroll records pertaining to employees for  
17 a period of four years. Employers shall permit an employee or an  
18 employee's designated representative to inspect the employer's payroll  
19 pertaining to the employee.

20     § 696-d. Commissioner's powers of investigation. The commissioner or  
21 his or her authorized representative shall have power:

22     1. to investigate the wages of persons in any occupation in the state;

23     2. to enter the place of business or employment of any employer for  
24 the purpose of: (a) examining and inspecting any and all books, regis-  
25 ters, payrolls and other records that in any way relate to or have a  
26 bearing upon the wages paid to, or the hours worked by any employees;  
27 (b) ascertaining whether the provisions of this article and the orders  
28 and regulations promulgated hereunder are being complied with; and

29     3. to require from any employer full and correct statements and  
30 reports in writing, at such times as the commissioner may deem neces-  
31 sary, of the wages paid to and the hours worked by his or her employees.

32     § 696-e. Civil action. 1. If any employee is paid by his or her  
33 employer less than the wage to which he or she is entitled under the  
34 provisions of this article, he or she shall recover in a civil action  
35 the amount of any such underpayments, together with costs, all reason-  
36 able attorney's fees, prejudgment interest as required under the civil  
37 practice law and rules, and unless the employer proves a good faith  
38 basis to believe that its underpayment of wages was in compliance with  
39 the law, an additional amount as liquidated damages equal to one hundred  
40 percent of the total of such underpayments found to be due. Any agree-  
41 ment between the employee, and the employer to work for less than such  
42 wage shall be no defense to such action.

43     2. On behalf of any employee paid less than the wage to which the  
44 employee is entitled under the provisions of this article, the commis-  
45 sioner may bring any legal action necessary, including administrative  
46 action, to collect such claim, and the employer shall be required to pay  
47 the full amount of the underpayment, plus costs, and unless the employer  
48 proves a good faith basis to believe that its underpayment was in  
49 compliance with the law, an additional amount as liquidated damages.  
50 Liquidated damages shall be calculated by the commissioner as no more  
51 than one hundred percent of the total amount of underpayments found to  
52 be due the employee. In any action brought by the commissioner in a  
53 court of competent jurisdiction, liquidated damages shall be calculated  
54 as an amount equal to one hundred percent of underpayments found to be  
55 due the employee.

1     3. Notwithstanding any other provision of law, an action to recover  
2 upon a liability imposed by this article must be commenced within six  
3 years. The statute of limitations shall be tolled from the date an  
4 employee files a complaint with the commissioner or the commissioner  
5 commences an investigation, whichever is earlier, until an order to  
6 comply issued by the commissioner becomes final, or where the commis-  
7 sioner does not issue an order, until the date on which the commissioner  
8 notifies the complainant that the investigation has concluded. Investi-  
9 gation by the commissioner shall not be a prerequisite to nor a bar  
10 against a person bringing a civil action under this article.

11     4. In any civil action by an employee or by the commissioner, the  
12 employee or commissioner shall have the right to collect attorneys' fees  
13 and costs incurred in enforcing any court judgment. Any judgment or  
14 court order awarding remedies under this section shall provide that if  
15 any amounts remain unpaid upon the expiration of ninety days following  
16 issuance of judgment, or ninety days after expiration of the time to  
17 appeal and no appeal therefrom is then pending, whichever is later, the  
18 total amount of judgment shall automatically increase by fifteen  
19 percent.

20     § 2. Severability. If any clause, sentence, paragraph, section or part  
21 of this act shall be adjudged by any court of competent jurisdiction to  
22 be invalid and after exhaustion of all further judicial review, the  
23 judgment shall not affect, impair or invalidate the remainder thereof,  
24 but shall be confined in its operation to the clause, sentence, para-  
25 graph, section or part of this act directly involved in the controversy  
26 in which the judgment shall have been rendered.

27     § 3. This act shall take effect on the ninetieth day after it shall  
28 have become a law.