

FIRST REGULAR SESSION

SENATE BILL NO. 684

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR BERNSKOETTER.

2752S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 290.502 and 290.600, RSMo, and to enact in lieu thereof three new sections relating to employee compensation exemptions for certain businesses.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 290.502 and 290.600, RSMo, are
2 repealed and three new sections enacted in lieu thereof, to be
3 known as sections 290.502, 290.600, and 290.800, to read as
4 follows:

290.502. 1. Except as may be otherwise provided
2 pursuant to sections 290.500 to 290.530, effective January
3 1, 2007, every employer shall pay to each employee wages at
4 the rate of \$6.50 per hour, or wages at the same rate or
5 rates set under the provisions of federal law as the
6 prevailing federal minimum wage applicable to those covered
7 jobs in interstate commerce, whichever rate per hour is
8 higher.

9 2. The minimum wage shall be increased or decreased on
10 January 1, 2008, and on January 1 of successive years, by
11 the increase or decrease in the cost of living. On
12 September 30, 2007, and on each September 30 of each
13 successive year, the director shall measure the increase or
14 decrease in the cost of living by the percentage increase or
15 decrease as of the preceding July over the level as of July
16 of the immediately preceding year of the Consumer Price
17 Index for Urban Wage Earners and Clerical Workers (CPI-W) or

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 successor index as published by the U.S. Department of Labor
19 or its successor agency, with the amount of the minimum wage
20 increase or decrease rounded to the nearest five cents.

21 3. Except as may be otherwise provided pursuant to
22 sections 290.500 to 290.530 **and section 290.800**, and
23 notwithstanding subsection 1 of this section, effective
24 January 1, 2025, every employer shall pay to each employee
25 wages at the rate of not less than \$13.75 per hour, or wages
26 at the same rate or rates set under the provisions of
27 federal law as the prevailing federal minimum wage
28 applicable to those covered jobs in interstate commerce,
29 whichever rate per hour is higher. Thereafter, the minimum
30 wage established by this subsection shall be increased by
31 \$1.25 per hour, to \$15.00 per hour, effective January 1,
32 2026. Thereafter, the minimum wage established by this
33 subsection shall be increased or decreased on January 1,
34 2027, and on January 1 of successive years, per the method
35 set forth in subsection 2 of this section. If at any time
36 the federal minimum wage rate is above or is thereafter
37 increased above the minimum wage then in effect under this
38 subsection, the minimum wage required by this subsection
39 shall continue to be increased pursuant to this subsection,
40 but the higher federal rate shall immediately become the
41 minimum wage required by this subsection and shall be
42 increased or decreased per the method set forth in
43 subsection 2 for so long as it remains higher than the state
44 minimum wage required and increased pursuant to this
45 subsection.

46 4. For purposes of this section, the term "public
47 employer" means an employer that is the state or a political
48 subdivision of the state, including a department, agency,
49 officer, bureau, division, board, commission, or

50 instrumentality of the state, or a city, county, town,
51 village, school district, or other political subdivision of
52 the state. Subsection 3 of this section shall not apply to
53 a public employer with respect to its employees. Any public
54 employer that is subject to subsections 1 and 2 of this
55 section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

2 (1) "Department", department of labor and industrial
3 relations;

4 (2) "Director", director of the department of labor
5 and industrial relations;

6 (3) "Domestic violence", as such term is defined in
7 section 455.010;

8 (4) "Earned paid sick time", time that is compensated
9 at the same hourly rate and with the same benefits,
10 including health care benefits, as the employee normally
11 earns during hours worked and is provided by an employer to
12 an employee for the purposes described in section 290.606,
13 but in no case shall this hourly amount be less than that
14 provided under section 290.502;

15 (5) "Employee", any individual employed in this state
16 by an employer, but does not include:

17 (a) Any individual engaged in the activities of an
18 educational, charitable, religious, or nonprofit
19 organization where the employer-employee relationship does
20 not, in fact, exist or where the services rendered to the
21 organization are on a voluntary basis;

22 (b) Any individual standing in loco parentis to foster
23 children in their care;

24 (c) Any individual employed for less than four months
25 in any year in a resident or day camp for children or youth,
26 or any individual employed by an educational conference

27 center operated by an educational, charitable or not-for-
28 profit organization;

29 (d) Any individual engaged in the activities of an
30 educational organization where employment by the
31 organization is in lieu of the requirement that the
32 individual pay the cost of tuition, housing or other
33 educational fees of the organization or where earnings of
34 the individual employed by the organization are credited
35 toward the payment of the cost of tuition, housing or other
36 educational fees of the organization;

37 (e) Any individual employed on or about a private
38 residence on an occasional basis for six hours or less on
39 each occasion;

40 (f) Any individual employed on a casual basis to
41 provide baby-sitting services;

42 (g) Any individual employed by an employer subject to
43 the provisions of Part A of Subtitle IV of Title 49, United
44 States Code, 49 U.S.C. §§ 10101 et seq.;

45 (h) Any individual employed on a casual or
46 intermittent basis as a golf caddy, newsboy, or in a similar
47 occupation;

48 (i) Any individual who is employed in any government
49 position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

50 (j) Any individual employed by a retail or service
51 business whose annual gross volume sales made or business
52 done is less than five hundred thousand dollars;

53 (k) Any individual who is an offender, as defined in
54 section 217.010, who is incarcerated in any correctional
55 facility operated by the department of corrections,
56 including offenders who provide labor or services on the
57 grounds of such correctional facility pursuant to section
58 217.550; [or,]

59 (1) Any individual described by the provisions of
60 section 29 U.S.C. 213(a)(8); **or**

61 **(m) Any individual employed by a business that is**
62 **exempt from the provisions of sections 290.600 to 290.642,**
63 **as provided under section 290.800;**

64 (6) "Employer", any person acting directly or
65 indirectly in the interest of an employer in relation to an
66 employee; provided, however, that for the purposes of
67 sections 290.600 through 290.642 "employer" does not include
68 the United States government, the state, or a political
69 subdivision of the state, including a department, agency,
70 officer, bureau, division, board, commission, or
71 instrumentality of the state, or a city, county, town,
72 village, school district, public higher education
73 institution, or other political subdivision of the state;

74 (7) "Family member", any of the following individuals:

75 (a) Regardless of age, a biological, adopted or foster
76 child, stepchild or legal ward, a child of a domestic
77 partner, a child to whom the employee stands in loco
78 parentis, or an individual to whom the employee stood in
79 loco parentis when the individual was a minor;

80 (b) A biological, foster, stepparent or adoptive
81 parent or legal guardian of an employee or an employee's
82 spouse or domestic partner or an individual who stood in
83 loco parentis when the employee or employee's spouse or
84 domestic partner was a minor child;

85 (c) An individual to whom the employee is legally
86 married under the laws of any state, or a domestic partner
87 who is registered as such under the laws of any state or
88 political subdivision, or an individual with whom the
89 employee is in a continuing social relationship of a
90 romantic or intimate nature;

91 (d) A grandparent, grandchild, or sibling (whether of
92 a biological, foster, adoptive or step relationship) of the
93 employee or the employee's spouse or domestic partner; or

94 (e) A person for whom the employee is responsible for
95 providing or arranging health or safety-related care,
96 including but not limited to helping that individual obtain
97 diagnostic, preventative, routine, or therapeutic health
98 treatment or ensuring the person is safe following domestic
99 violence, sexual assault, or stalking;

100 (8) "Health care professional", any individual
101 licensed under federal or any state law to provide medical
102 or emergency services, including but not limited to doctors,
103 nurses, certified nurse midwives, mental health
104 professionals, and emergency room personnel;

105 (9) "Person", any individual, partnership,
106 association, corporation, business, business trust, legal
107 representative, or any organized group of persons;

108 (10) "Retaliatory personnel action", denial of any
109 right guaranteed under sections 290.600 through 290.642, or
110 any threat, discharge, suspension, demotion, reduction of
111 hours, or any other adverse action against an employee for
112 the exercise of any right guaranteed herein. "Retaliatory
113 personnel action" shall also include interference with or
114 punishment for in any manner participating in or assisting
115 an investigation, proceeding, or hearing under sections
116 290.600 through 290.642;

117 (11) "Same hourly rate", means the following:

118 (a) For employees paid on the basis of a single hourly
119 rate, the same hourly rate shall be the employee's regular
120 hourly rate;

121 (b) For employees who are paid multiple hourly rates
122 of pay from the same employer, the same hourly rate shall be
123 either:

124 a. The wages the employee would have been paid for the
125 hours absent during use of earned paid sick time if the
126 employee had worked; or,

127 b. The weighted average of all hourly rates of pay
128 during the previous pay period.

129 Whatever method the employer uses, the employer must use a
130 consistent method for each employee throughout a year;

131 (c) For employees who are paid a salary, the same
132 hourly rate shall be determined by dividing the wages the
133 employee earns in the previous pay period by the total
134 number of hours worked during the previous pay period. For
135 determining total number of hours worked during the previous
136 pay period, employees who are exempt from overtime
137 requirements under 29 U.S.C. § 213(a)(1), the Fair Labor
138 Standards Act, shall be assumed to work forty hours in each
139 work week unless their normal work week is less than forty
140 hours, in which case earned paid sick time shall accrue and
141 the same hourly rate shall be calculated based on the
142 employee's normal work week. Regardless of the basis used,
143 the same hourly rate shall not be less than the effective
144 minimum wage specified in section 290.502;

145 (d) For employees paid on a piece rate or a fee-for-
146 service basis, the same hourly rate shall be a reasonable
147 calculation of the wages or fees the employee would have
148 received for the piece work, service, or part thereof, if
149 the employee had worked. Regardless of the basis used, the
150 same hourly rate shall not be less than the effective
151 minimum wage specified in section 290.502;

152 (e) For employees who are paid on a commission basis
153 (whether base wage plus commission or commission only), the
154 same hourly rate shall be the greater of the base wage or
155 the effective minimum wage specified in section 290.502;

156 (f) For employees who receive and retain compensation
157 in the form of gratuities in addition to wages, the same
158 hourly rate shall be the greater of the employee's regular
159 hourly rate or one hundred percent of the effective minimum
160 wage specified in section 290.502 without deduction of any
161 tips as a credit;

162 (12) "Sexual assault", as such term is defined in
163 section 455.010;

164 (13) "Stalking", as such term is defined in section
165 455.010;

166 (14) "Year", a regular and consecutive twelve-month
167 period as determined by the employer; except that for the
168 purposes of section 290.615 and section 290.627, "year"
169 shall mean a calendar year.

**290.800. 1. This section shall be known and may be
2 cited as the "Entrepreneur Rights Act".**

3 2. As used in this section, the following terms mean:

4 (1) "Seasonal business", an employer whose operations
5 and business are substantially all in an industry in which
6 it is customary to operate, because of climatic conditions
7 or because of the seasonal nature of such industry, only
8 during a regularly recurring seasonal period or a period of
9 twenty-six weeks or less in a calendar year, as determined
10 by the department;

11 (2) "Small business", any business, including any sole
12 proprietorship, partnership, S corporation, C corporation,
13 limited liability company, limited liability partnership, or
14 other business entity, including its affiliates, that is

15 independently owned and operated, employs fifty or fewer
16 full- or part-time employees, has a place of business in and
17 is headquartered in the state of Missouri, and employs at
18 least eighty percent of its employees in Missouri.

19 3. Except where otherwise required by federal law,
20 beginning on and after the effective date of this section,
21 the provisions of sections 290.600 to 290.642 and any
22 increase in the minimum wage under section 290.502 beginning
23 on or after January 1, 2025, shall not apply to any employer
24 that is a small business or a seasonal business, or
25 employees thereof.

26 4. The minimum wage rate in effect on December 31,
27 2024, shall be the applicable rate for small businesses and
28 seasonal businesses, notwithstanding any other exemptions,
29 lower wage rates, or other exceptions or preemptions of the
30 state minimum wage law that are allowed under this chapter
31 or federal law.

32 5. Small businesses and seasonal businesses exempt
33 under this section shall still be subject to the remaining
34 applicable provisions of sections 290.500 to 290.530 as
35 applied to the minimum wage rate in effect on December 31,
36 2024.

37 6. The exemption provided under this section shall
38 apply only to employment compensation paid or accrued on or
39 after the effective date of this section and shall not be
40 retroactive in effect.

41 7. The department of labor and industrial relations
42 may promulgate all necessary rules and regulations for the
43 administration of this section. Any rule or portion of a
44 rule, as that term is defined in section 536.010, that is
45 created under the authority delegated in this section shall
46 become effective only if it complies with and is subject to

47 all of the provisions of chapter 536 and, if applicable,
48 section 536.028. This section and chapter 536 are
49 nonseverable and if any of the powers vested with the
50 general assembly pursuant to chapter 536 to review, to delay
51 the effective date, or to disapprove and annul a rule are
52 subsequently held unconstitutional, then the grant of
53 rulemaking authority and any rule proposed or adopted after
54 August 28, 2025, shall be invalid and void.

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