

FIRST REGULAR SESSION

# HOUSE BILL NO. 546

103RD GENERAL ASSEMBLY

---

INTRODUCED BY REPRESENTATIVE VERNETTI.

1326H.011

DANA RADEMAN MILLER, Chief Clerk

---

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Section A. Sections 290.502 and 290.600, RSMo, are repealed and three new sections  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

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

6 2. The minimum wage shall be increased or decreased on January 1, 2008, and on  
7 January 1 of successive years, by the increase or decrease in the cost of living. On September  
8 30, 2007, and on each September 30 of each successive year, the director shall measure the  
9 increase or decrease in the cost of living by the percentage increase or decrease as of the  
10 preceding July over the level as of July of the immediately preceding year of the Consumer  
11 Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as  
12 published by the U.S. Department of Labor or its successor agency, with the amount of the  
13 minimum wage increase or decrease rounded to the nearest five cents.

14 3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530 **and**  
15 **under section 290.800**, and notwithstanding subsection 1 of this section, effective January 1,  
16 2025, every employer shall pay to each employee wages at the rate of not less than \$13.75 per

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 hour, or wages at the same rate or rates set under the provisions of federal law as the  
18 prevailing federal minimum wage applicable to those covered jobs in interstate commerce,  
19 whichever rate per hour is higher. Thereafter, the minimum wage established by this  
20 subsection shall be increased by \$1.25 per hour, to \$15.00 per hour, effective January 1, 2026.  
21 Thereafter, the minimum wage established by this subsection shall be increased or decreased  
22 on January 1, 2027, and on January 1 of successive years, per the method set forth in  
23 subsection 2 of this section. If at any time the federal minimum wage rate is above or is  
24 thereafter increased above the minimum wage then in effect under this subsection, the  
25 minimum wage required by this subsection shall continue to be increased pursuant to this  
26 subsection, but the higher federal rate shall immediately become the minimum wage required  
27 by this subsection and shall be increased or decreased per the method set forth in subsection 2  
28 for so long as it remains higher than the state minimum wage required and increased pursuant  
29 to this subsection.

30 4. For purposes of this section, the term "public employer" means an employer that is  
31 the state or a political subdivision of the state, including a department, agency, officer, bureau,  
32 division, board, commission, or instrumentality of the state, or a city, county, town, village,  
33 school district, or other political subdivision of the state. Subsection 3 of this section shall not  
34 apply to a public employer with respect to its employees. Any public employer that is subject  
35 to subsections 1 and 2 of this 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 relations;
- 3 (2) "Director", director of the department of labor and industrial relations;
- 4 (3) "Domestic violence", as such term is defined in section 455.010;
- 5 (4) "Earned paid sick time", time that is compensated at the same hourly rate and with  
6 the same benefits, including health care benefits, as the employee normally earns during  
7 hours worked and is provided by an employer to an employee for the purposes described in  
8 section 290.606, but in no case shall this hourly amount be less than that provided under  
9 section 290.502;
- 10 (5) "Employee", any individual employed in this state by an employer, but does not  
11 include:
  - 12 (a) Any individual engaged in the activities of an educational, charitable, religious, or  
13 nonprofit organization where the employer-employee relationship does not, in fact, exist or  
14 where the services rendered to the organization are on a voluntary basis;
  - 15 (b) Any individual standing in loco parentis to foster children in their care;
  - 16 (c) Any individual employed for less than four months in any year in a resident or day  
17 camp for children or youth, or any individual employed by an educational conference center  
18 operated by an educational, charitable or not-for-profit organization;

19 (d) Any individual engaged in the activities of an educational organization where  
20 employment by the organization is in lieu of the requirement that the individual pay the cost  
21 of tuition, housing or other educational fees of the organization or where earnings of the  
22 individual employed by the organization are credited toward the payment of the cost of  
23 tuition, housing or other educational fees of the organization;

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

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

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

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

31 (i) Any individual who is employed in any government position defined in 29 U.S.C.  
32 §§ 203(e)(2)(C)(i)-(ii);

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

35 (k) Any individual who is an offender, as defined in section 217.010, who is  
36 incarcerated in any correctional facility operated by the department of corrections, including  
37 offenders who provide labor or services on the grounds of such correctional facility pursuant  
38 to section 217.550; ~~or;~~

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

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

42 (6) "Employer", any person acting directly or indirectly in the interest of an employer  
43 in relation to an employee; provided, however, that for the purposes of sections 290.600  
44 through 290.642 "employer" does not include the United States government, the state, or a  
45 political subdivision of the state, including a department, agency, officer, bureau, division,  
46 board, commission, or instrumentality of the state, or a city, county, town, village, school  
47 district, public higher education institution, or other political subdivision of the state;

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

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

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

55 (c) An individual to whom the employee is legally married under the laws of any  
56 state, or a domestic partner who is registered as such under the laws of any state or political  
57 subdivision, or an individual with whom the employee is in a continuing social relationship of  
58 a romantic or intimate nature;

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

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

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

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

70 (10) "Retaliatory personnel action", denial of any right guaranteed under sections  
71 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours,  
72 or any other adverse action against an employee for the exercise of any right guaranteed  
73 herein. "Retaliatory personnel action" shall also include interference with or punishment for  
74 in any manner participating in or assisting an investigation, proceeding, or hearing under  
75 sections 290.600 through 290.642;

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

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

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

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

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

84

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

87 (c) For employees who are paid a salary, the same hourly rate shall be determined by  
88 dividing the wages the employee earns in the previous pay period by the total number of  
89 hours worked during the previous pay period. For determining total number of hours worked  
90 during the previous pay period, employees who are exempt from overtime requirements under  
91 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work forty hours in

92 each work week unless their normal work week is less than forty hours, in which case earned  
93 paid sick time shall accrue and the same hourly rate shall be calculated based on the  
94 employee's normal work week. Regardless of the basis used, the same hourly rate shall not be  
95 less than the effective minimum wage specified in section 290.502;

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

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

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

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

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

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

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

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

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

**9 (2) "Small business", any small business, including any sole proprietorship,  
10 partnership, S corporation, C corporation, limited liability company, limited liability  
11 partnership, or other business entity, including its affiliates, that is independently owned  
12 and operated, employs fifty or fewer full- or part-time employees, has a place of business  
13 in and is headquartered in the state of Missouri, and employs at least eighty percent of  
14 its employees in Missouri.**

**15 3. Except where otherwise required by federal law, beginning on and after the  
16 effective date of this section, the provisions of sections 290.600 to 290.642 and any**

17 **increase in the minimum wage under section 290.502 beginning on or after January 1,**  
18 **2025, shall not apply to any employee or employer that is a small business or a seasonal**  
19 **business of any size.**

20 **4. The minimum wage rate in effect on December 31, 2024, shall be the**  
21 **applicable rate for small businesses and seasonal businesses, notwithstanding any other**  
22 **exemptions, lower wage rates, prevailing wage rates, or other exceptions or preemptions**  
23 **of the state minimum wage law that are allowed under this chapter, general law, or**  
24 **federal law.**

25 **5. Small businesses and seasonal businesses exempt under this section shall still**  
26 **be subject to the remaining applicable provisions of sections 290.500 to 290.530 as**  
27 **applied to the minimum wage rate in effect on December 31, 2024.**

28 **6. The exemption provided under this section shall apply only to employment**  
29 **compensation paid or accrued on or after the effective date of this section and shall not**  
30 **be retroactive in effect.**

31 **7. The department may promulgate all necessary rules and regulations for the**  
32 **administration of this section. Any rule or portion of a rule, as that term is defined in**  
33 **section 536.010, that is created under the authority delegated in this section shall**  
34 **become effective only if it complies with and is subject to all of the provisions of chapter**  
35 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable**  
36 **and if any of the powers vested with the general assembly pursuant to chapter 536 to**  
37 **review, to delay the effective date, or to disapprove and annul a rule are subsequently**  
38 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**  
39 **adopted after August 28, 2025, shall be invalid and void.**

✓