

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 707 of the Regular Session

1 State of Arkansas

As Engrossed: S3/1/07 S3/20/07

2 86th General Assembly

A Bill

3 Regular Session, 2007

SENATE BILL 361

4
5 By: Senators Horn, T. Smith, Trusty

6 By: Representatives Key, Berry, Edwards, Gaskill, Glidewell, Hardwick, Harris, Hawkins, Lamoureux,
7 Pace, Reep, Rosenbaum, Sample, Saunders

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10 **For An Act To Be Entitled**

11 AN ACT TO REVISE THE MINIMUM WAGE LAW ALLOWANCE
12 FOR GRATUITIES; AND FOR OTHER PURPOSES.

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14 **Subtitle**

15 TO REVISE THE MINIMUM WAGE LAW ALLOWANCE
16 FOR GRATUITIES.

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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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21 SECTION 1. Arkansas Code § 11-4-212 is amended to read as follows:

22 11-4-212. Allowance for gratuities.

23 (a) Every employer of an employee engaged in any occupation in which
24 gratuities have been customarily and usually constituted and have been
25 recognized as a part of remuneration for hiring purposes shall be entitled to
26 an allowance for gratuities as a part of the hourly wage rate provided in §
27 11-4-210 in an amount ~~not to exceed fifty eight percent (58%) of the minimum~~
28 ~~wage established by § 11-4-210~~ of no less than three dollars and sixty-two
29 cents (\$3.62) per hour, provided that the employee actually received that
30 amount in gratuities and that the application of the foregoing gratuity
31 allowances results in payment of wages other than gratuities to tipped
32 employees, including full-time students subject to the provisions of § 11-4-
33 210, of no less than ~~forty two percent (42%) of the minimum wage prescribed~~
34 ~~by § 11-4-210~~ two dollars and sixty-three cents (\$2.63) per hour.

35 (b) In determining whether an employee received in gratuities the



1 amount claimed, the Director of the Department of Labor may require the
2 employee to show to the satisfaction of the director that the actual amount
3 of gratuities received by him or her during any work week was less than the
4 amount determined by the employer as the amount by which the wage paid the
5 employee was deemed to be increased under this section.

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7 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
8 General Assembly of the State of Arkansas that this act is necessary to
9 protect jobs within the State of Arkansas, prevent an increase in costs to
10 residents and tourists that patronize restaurants, and protect the financial
11 stability of businesses that rely on the services provided by tipped
12 employees. Therefore, an emergency is declared to exist and this act being
13 necessary for the preservation of the public peace, health, and safety shall
14 become effective thirty (30) days from and after the date of its passage and
15 approval. If the bill is neither approved nor vetoed by the Governor, it
16 shall become effective thirty (30) days from the expiration of the period of
17 time during which the Governor may veto the bill. If the bill is vetoed by
18 the Governor and the veto is overridden, it shall become effective thirty
19 (30) days from the date the last house overrides the veto.

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21 /s/ Horn

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23 APPROVED: 3/30/2007
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