

Brennan Center Analysis Shows Montana Bill Would Repeal Voter-Approved Wage Increase and Slash Pay for Restaurant Workers

For Immediate Release

April 3, 2007

Contact

Mike Webb, 212-998-6746

Paul Sonn, 917-566-0680

Brennan Center Analysis Shows Montana Bill Would Repeal Voter-Approved Wage Increase and Slash Pay for Restaurant Workers

A [new analysis](#) by the Brennan Center for Justice at New York University School of Law reveals that a bill being considered by the Montana legislature could slash pay by more than \$4.00 an hour for 8,600 restaurant workers across the state. In doing so it could partly repeal the state's new minimum wage law just months after it was enacted with the support of 73% of Montana voters.

The restaurant industry, which is the chief proponent of Montana House Bill 492 (HB 492), describes it as making modest adjustments in

how Montana's minimum wage law applies to tipped restaurant servers. However, a review of HB 492's actual statutory language and contents reveals that it could significantly weaken Montana's voter-approved minimum wage protections.

“The restaurant industry's proposal is a Trojan horse,” said Paul Sonn, co-director of the Brennan Center's Economic Justice Project. “What they're calling a modest adjustment could actually slash pay by more than \$4.00 an hour for 8,600 waiters and waitresses statewide and block them from getting the future minimum wage increases that the voters approved in November.”

The restaurant industry's attack on the minimum wage in Montana appears to be part of a national pattern. In Missouri and Ohio – two other states where voters approved minimum wage increases last November – low-wage employers also proposed “implementation plans” which were, in fact, covert attempts to roll back the voter-approved wage hikes. In Missouri, after growing public outcry, Governor Matt Blunt abandoned the proposal and fired the state official who had backed it.

The Brennan Center analysis finds that, if adopted, HB 492 could effectively reverse for tipped restaurant workers many of the protections adopted in last year's minimum wage ballot initiative, I-151. It could deny restaurant workers the annual cost-of-living increases that the voters approved – a crucial protection for ensuring that the minimum wage does not erode again in the future. Even worse, it 492 would It would likely be construed to allow restaurant servers to be paid 100% in tips. Federal law would still require that they be paid a base cash wage of \$2.13 per hour, but that is a \$4.02 cut in pay from the \$6.15 base cash wage that Montana's current minimum wage requires.

The median wage for Montana's 8,600 restaurant servers, including

tips, is just \$7.32 an hour, which translates to \$15,226 for those lucky enough to work full-time year round. By cutting their pay substantially and denying them future minimum wage increases, HB 492 would cause real hardship for these workers and their families.