

PRESIDENT: The question is the advancement of the bill. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 26 ayes, 0 nays on the advancement of 408, Mr. President.

PRESIDENT: The bill is advanced. According to the Speaker's instructions, we're going to skip LB 744 and go to LB 412.

CLERK: LB 412, Mr. President, is offered by the Business and Labor Committee and signed by its members. (Read title.) The bill was introduced on January 13, referred to Business and Labor. The bill was advanced to General File, Mr. President. I have Business and Labor Committee amendments pending.

PRESIDENT: Senator Coordsen, please. Just a moment, Senator. Now try it.

SENATOR COORDSEN: Mr. President and members of the body. Thank you. I might have to talk a little louder if you didn't turn me on. We're talking about the bill. The bill is the result of a problem that was uncovered during an interim study hearing on the effect of the increase in the state minimum wage that was made two years ago when we increased the state minimum wage to \$3.35 an hour for nontipped employees to...and to \$2.01 an hour for tipped employees. We had several testifiers from the restaurant...from restaurant businesses in the State of Nebraska that reported to us a problem that had developed with the interpretation of the Department of Labor of the current statutes. The statutes read currently for persons compensated primarily by way of gratuities, the employer shall pay wages at a minimum rate of \$2.01 an hour. The Department of Labor interest was triggered by the word "primarily". Their interpretation of that meant...was that for an employee that was compensated partially by tips, by gratuities, that "primarily" meant they must receive an amount from tips more than the amount they received as base wage. What this translated into in real life is that we have a situation that exists today where a tipped employee will have a base wage of \$2.01 an hour. In order to be considered a tipped wage, they must have at least \$2.02 an hour in tips, which gives us then a state minimum wage for tipped employees, with that interpretation, of \$4.03 an hour for tipped employees, \$3.35 an hour for nontipped employees. If