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St. Louis's Minimum Wage Increase to Take Effect in the Coming Days

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On April 25, 2017, the *Supreme Court of Missouri* issued its mandate in *Cooperative Home Care, Inc. v. City of St. Louis* (No. SC95401), paving the way for St. Louis City's minimum wage ordinance to take effect, which will increase the minimum wage covered employers must pay covered employees from \$7.70 to \$10.00 per hour. As we detailed in our previous article, the court overturned a 2015 injunction that had enjoined St. Louis's minimum wage ordinance, but the court's mandate was delayed by a motion for rehearing filed on March 15, 2017.

Now that the court has issued its mandate, the circuit court has the green light to lift the 2015 injunction, which is expected to occur in the coming days. Although the City initially stated that employers would have a "reasonable grace period" in which to comply with the increased minimum wages, former mayor Francis Slay later reneged on that promise in the City's March 3, 2017 press release, stating that "[o]nce the minimum wage ordinance is officially affirmed by the Courts' actions, a business that does not follow the City's established ordinance will be prosecuted in Municipal Court. It may also be subject to revocation of its business license and occupancy permit." Although St. Louis swore in a new Mayor—Lyda Krewson—last week, it appears to be following the path charted by Mayor Slay. According to the Ordinance will "take effect immediately after" the circuit court lifts the injunction, and Mayor Krewson lauded the court's decision as "a win for our city's working families." Thus, while it is unclear what Krewson's enforcement efforts will look like, employers should expect that compliance with the ordinance will be required once the injunction is lifted.

In addition to increasing the minimum wage to \$10.00 per hour once the ordinance takes effect, the ordinance increases the minimum wage rate that covered employers must pay covered employees to \$11.00 per hour as of January 1, 2018. Thereafter, on each subsequent January 1, the ordinance increases the minimum wage on a percentage basis to reflect inflation.

Although covered employers will have to comply with the ordinance once it goes into effect, there are two bills pending in the Missouri Senate that would, if passed, preempt and nullify all local laws establishing a minimum wage rate higher than Missouri's state minimum wage (which is currently \$7.70 per hour). Thanks to the inclusion of an emergency clause added prior to these bills' passages

in the House, the new law would go into effect immediately upon Governor Greitens's signature. Therefore, while it is unlikely that the bills will become law prior to the ordinance taking effect, compliance with the ordinance may be short lived. In the meantime, covered employers should take immediate action to comply with St. Louis's minimum wage ordinance including posting notices and providing paycheck stuffers.

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