

Nation's Restaurant News



NEWS

A state-by-state guide to Election Day for restaurant operators

From minimum wage and paid sick leave to marijuana legalization, here are nine states with business-related issues on the ballot this

November

Joanna Fantozzi | Oct 23, 2024

When Americans vote on Election Day this Nov. 5, they won't just be picking the next president. Many issues that are important to business owners — particularly restaurant operators — will be decided at a state level, from minimum wage and tipped wages to paid sick leave and marijuana legalization.

Here are nine states that are voting on issues this November that business owners will care about, starting in Alaska and ending in South Dakota.

Related: A restaurant operator's guide to the 2024 presidential election

For Nation's Restaurant News' breakdown of the presidential election and a look at Trump vs. Harris on the issues business owners care about, [click here](#).



1. Alaska: Raise the minimum wage and introduce paid sick leave

Alaskan residents will vote this Nov. 5 on one bill — the Minimum Labor Standards Initiative — which will introduce several new workers’ rights. The act proposed raising the state’s minimum wage gradually from the current \$11.73 hourly wage to \$15 an hour, starting with \$13 effective July 1, 2025; \$14 effective July 1, 2026; and \$15 effective July 1, 2027; with more additional adjustments added based on inflation.

The bill also proposed mandatory accrued sick leave of up to 56 hours for employers that employ 15 or more employees (40 hours of sick leave for under 15 employees). Lastly, the bill prohibits employers from mandating that employees attend meetings of religious or political matters unrelated to their job.

As of October 2024, seven states, plus Washington, D.C., have minimum

wages of at least \$15 per hour (California, Connecticut, Maryland, Massachusetts, New Jersey, New York, and Washington). Additionally, 30 states out of 50 have minimum wages that are higher than the federal minimum wage of \$7.25 an hour.



2. Arizona: Change the minimum wage for tipped workers

Arizonans will decide this November on Proposition 138 , which would amend the Arizona Constitution to allow employers to pay tipped workers up to 25% less than the minimum wage, assuming that the employer can prove that the employee is paid overall at least \$2 more per hour than the minimum wage.

Currently, Arizona's minimum wage is \$14.35 an hour and the statewide tipped minimum wage is \$11.35 per hour.

Tipped minimum wages have been a contentious topic recently, as the Biden-era 80/20 tip credit rule was recently overturned by the Fifth Circuit Court of Appeals for being contrary to the Fair Labor Standards Act.



3. California: Raise the minimum wage

While restaurant operators are already highly familiar with the controversial \$20 minimum wage for fast-food operators, courtesy of the revised FAST Act, the rest of California currently requires employers to pay at least \$16 an hour.

This Election Day, Californians will vote on gradually raising the statewide minimum wage to \$18 an hour. Under Proposition 32, employers with 26 or more employees, the minimum wage would be \$17 immediately and \$18 starting Jan. 1, 2025. For employers with 25 or fewer employees, the minimum wage would be raised to \$17 on Jan. 1, 2025, and \$18 on Jan. 1, 2026.

The California Chamber of Commerce and California Restaurant Association oppose this measure.



4.

Florida's Amendment 3 would legalize the possession, purchasing, and personal use of recreational marijuana.

While this might not seem like it would directly impact the restaurant industry (it is illegal throughout the United States for establishments to serve food or drink infused with cannabis), indirect impacts include additional hurdles for business owners like changes in drug testing rules), and a potential decline in alcohol sales.

Additionally, cannabis lounges have slowly started opening in the states that have thus far legalized marijuana, which could provide competition

for restaurants and bars, even though they are not legally allowed to sell food and beverages in addition to cannabis.



5. Massachusetts: Phase out the tipped minimum wage

Massachusetts voters will decide in November whether to phase out the tip credit in Question 5, which will appear on Election Day ballots. If passed, the tipped minimum wage (which is currently \$6.75), will be raised to 64% of the state minimum wage of \$15 an hour starting Jan. 1, 2025. Then it will go up by increments — 73% of \$15 next year, 82% in 2027, and 91% in 2028 — until the tipped minimum wage is phased out entirely in 2029.



6. Missouri: Raise the minimum wage, mandate paid sick leave and legalize sports betting

When deciding on Missouri's Proposition A, voters could potentially raise the minimum wage to \$15 an hour (becoming the eighth state to reach the \$15 minimum wage threshold) and mandate many employers to provide paid sick leave.

If passed, the new minimum wage would be implemented in stages starting with an increase to \$13.75 an hour on Jan. 1, 2025, and then increased to \$15 per hour the following year. Businesses with 15 or more employees would also have to provide one hour of paid sick leave for every 30 hours of work. Government entities would be exempt from these requirements.

As of 2024, 18 states have some form of mandated paid sick leave in place.

Amendment 2, meanwhile, would legalize sports betting, gambling boats,

professional sports betting districts and mobile licenses to sports betting operators. This would open a potential new stream of revenue for foodservice establishments like sports bars. Sports betting is currently legal in some form in 38 states.



7. Nebraska: Mandate paid sick leave

Measure 436 would require employers in Nebraska to require accrued paid sick leave: with employees at companies with more than 20 employees entitled to 56 hours of paid sick leave, and 40 hours for companies that employ fewer than 20 employees. The ballot initiative would also prohibit retaliation against employees whose sick time.



8. North Dakota: Legalize marijuana

Voters in North Dakota will decide by voting on Measure 5 whether to legalize the personal use of marijuana, allowing individuals to possess up to one ounce of marijuana, four grams of cannabinoid concentrate, or 300 mg of edibles. It would also require the state to regulate this budding industry by Oct. 1, 2025, and could license up to seven cultivation facilities and 18 marijuana retailers.



9. South Dakota: Legalize marijuana

In South Dakota, Measure 29 would legalize the recreational use, possession, and distribution of up to two ounces of marijuana at a time. Smoking will be prohibited for people under age 21, and in public places where smoking tobacco is prohibited.

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