

HOUSE BILL REPORT

HB 1328

As Passed House
March 8, 1993

Title: An act relating to the minimum rate of compensation for salespeople of recreational vessels and trailers, recreational vehicle trailers and campers, and manufactured housing.

Brief Description: Setting the minimum rate of compensation for certain salespeople.

Sponsors: Representatives Heavey, Riley and King.

Brief History:

Reported by House Committee on:
Commerce & Labor, February 9, 1993, DP;
Passed House, March 8, 1993, 96-1.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 9 members:
Representatives Heavey, Chair; G. Cole, Vice Chair; Lisk, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Conway; Horn; King; Springer; and Veloria.

Staff: Chris Cordes (786-7117).

Background: Federal and state law require employers to pay overtime compensation to covered employees who work more than 40 hours in a work week.

Under federal law, salespersons are exempt from overtime requirements if they work for non-manufacturing businesses who primarily sell automobiles, trucks, farm implements, trailers, boats, or aircraft to ultimate purchasers.

Washington law exempts salespersons from overtime requirements only if the salesperson works primarily outside the employer's place of business. However, employers of commissioned salespersons primarily engaged in selling automobiles and trucks to the ultimate purchaser do not violate state overtime compensation requirements if the salespersons are paid the greater of (1) compensation at an hourly rate, not less than the state minimum wage, for hours up to 40 hours per week, plus overtime at one and one-half

times the hourly rate, or (2) commissions, salaries, or salaries plus commission.

Summary of Bill: Employers of commissioned salespersons primarily engaged in selling recreational vessels or vessel trailers, recreational vehicle trailers, recreational campers, or manufactured housing to the ultimate purchaser do not violate state overtime compensation requirements if the salespersons are paid the greater of (1) compensation at an hourly rate, not less than the state minimum wage, for hours up to 40 hours per week, plus overtime at one and one-half times the hourly rate, or (2) commissions, salaries, or salaries plus commission.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill is substantially the same as the previous bill considered by the committee that addresses overtime compensation for persons selling vessels, except that this bill also adds provisions for recreational trailer and manufactured housing salespeople. All of these groups should be treated the same as vehicle salespeople for computing overtime compensation.

Testimony Against: None.

Witnesses: Ron Clarke, Washington Manufactured Housing Association; and Jack Swanberg, Northwest Marine Trade Association.