

FINAL BILL REPORT

HB 1328

C 191 L 93
Synopsis as Enacted

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

By Representatives Heavey, Riley and King.

House Committee on Commerce & Labor
Senate Committee on Labor & Commerce

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 who primarily sell 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: Employers of commissioned salespersons who primarily sell 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.

Votes on Final Passage:

House	96	1
Senate	42	0

Effective: July 25, 1993