

FINAL BILL REPORT

HB 1708

C 311 L 97

Synopsis as Enacted

Brief Description: Eliminating farm implement commissioned salespeople from the minimum rate of compensation for employment in excess of a forty-hour work week requirement.

Sponsors: By Representative McMorris.

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

Background: Federal and state laws require an employer to pay overtime compensation to a covered employee who works more than forty hours per week. The overtime rate is one and one half times an employee's hourly rate.

Under federal law, a salesperson is exempt from overtime requirements if he or she works for a nonmanufacturing business primarily selling automobiles, trucks, farm implements, trailers, boats, or aircraft to ultimate purchasers.

Under Washington law, an employer of a commissioned salesperson primarily selling automobiles, trucks, recreational vessels, recreational vessel trailers, recreational vehicle trailers, recreational campers, or manufactured housing to an ultimate purchaser does not violate state overtime rate requirements if the commissioned salesperson is paid the greater of:

- (1) compensation at an hourly rate, not less than the minimum wage, for hours up to forty hours per week, and overtime at one and one-half times the hourly rate, or
- (2) commissions, salaries, or salaries and commissions.

Summary: An employer of a commissioned salesperson selling farm implements to an ultimate purchaser does not violate state overtime rate requirements if the commissioned salesperson is paid the greater of:

- (1) compensation at an hourly rate, not less than the minimum wage, for hours up to forty hours per week, plus overtime at one and one half times the hourly rate, or

(2) commissions, salaries, or salaries and commissions.

Votes on Final Passage:

House 97 0

Senate 47 1 (Senate amended)

House (House refused to concur)

Senate 41 0 (Senate recessed)

Effective: July 27, 1997