

HOUSE BILL ANALYSIS

HB 1708

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: Representative McMorris

Hearing: February 17, 1997

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 non manufacturing business primarily selling automobiles, trucks, farm implements, trailers, boats, or aircraft to ultimate purchasers.

Under Washington law an employer of a commissioned sales person 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 OF BILL:

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.*

RULES AUTHORITY: The bill does not contain provisions addressing the rule-making powers of an agency.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill is passed.