

HOUSE BILL REPORT

HB 1708

As Passed Legislature

Title: An act relating to the minimum rate of compensation for employment in excess of a forty-hour work week.

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 House Committee on Commerce & Labor (originally sponsored by Representative McMorris).

Brief History:

Committee Activity:

Commerce & Labor: 2/17/97, 2/20/97 [DP].

Floor Activity:

Passed House: 3/12/97, 97-0.

Senate Amended.

House Refused to Concur.

Senate Receded.

Passed Legislature.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 8 members: Representatives McMorris, Chairman; Honeyford, Vice Chairman; Conway, Ranking Minority Member; Wood, Assistant Ranking Minority Member; Boldt; Clements; Cole and Hatfield.

Staff: Selwyn Walters,(786-7117).

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 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.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The work performed by commissioned salespersons who sell farm equipment is no different from work performed by commissioned salespersons who sell automobiles, trucks, recreational campers, and manufactured housing. As such, commissioned salespersons of farm equipment should be placed in the same position as other commissioned salespersons with regard to computing overtime rates of pay.

Testimony Against: None.

Testified: Greg Hamilton, Hamilton Farm Equipment; and Ron Moore, Pacific Northwest Hardware and Implement Association.