
Commerce & Labor Committee

HB 1690

Brief Description: Adopting federal definitions for state wage and hour laws.

Sponsors: Representatives Chandler, Crouse, Condotta and Holmquist.

Brief Summary of Bill

- Requires that provisions of the state Minimum Wage Act be given the same meaning as comparable provisions in the federal Fair Labor Standards Act and the federal Portal to Portal Act unless state law is expressly contrary to federal law.

Hearing Date: 2/13/03

Staff: Jill Reinmuth (786-7134).

Background:

The federal Fair Labor Standards Act and the federal Portal to Portal Act (federal law) and the state Minimum Wage Act (state law) establish wage and hour standards. These standards are similar, but not identical. The federal Department of Labor has promulgated detailed regulations interpreting federal law and explaining how it will be enforced. The state Department of Labor and Industries (state Department) has not adopted similarly detailed rules interpreting state law.

In 2000 the state Supreme Court decided a case involving wage and hour standards under state law. This case, Drinkwitz v. Alliant Techsystems, Inc., examined the "salary basis" test used to determine whether an employee is exempt or whether an employee is entitled to overtime compensation. In its opinion, the Court commented that, because state law is based upon federal law, rules and cases under federal law "often provide helpful guidance." The Court concluded, however, that state law and federal law are not identical, and that rules and cases under federal law do not control its interpretation of state law.

Following the state Supreme Court's decision in Drinkwitz, the state Department initiated discussions about new rules on particular wage and hour standards under state law. On January 21, 2003, the state Department adopted new rules to clarify the "salary basis test" used to determine whether an employee is exempt or whether he or she is entitled to overtime compensation.

Summary of Bill:

The provisions of the state Minimum Wage Act (state law) must be given the same meaning as comparable provisions in the federal Fair Labor Standards Act and the federal Portal to Portal Act (federal law) and related regulations. In the absence of a provision in state law that is contained in federal law or regulations, the federal provisions control in an action arising under state law. These requirements do not apply to the extent that provisions in state law and related rules are expressly contrary to comparable provisions of federal law and related regulations. The provision declaring the necessity of establishing a minimum wage and minimum standards of employment in Washington are modified accordingly.

An employer is not subject to liability or punishment for failing to pay minimum wages or overtime compensation if the employer proves that it acted in good faith in conformity with and in reliance on a written rule or other interpretation by the state Department, or a practice or enforcement policy of the state Department. This defense, if established, bars an action or proceeding for minimum wage or overtime compensation.

Rules Authority: The bill does not address the rule-making powers of an agency.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect ninety days after adjournment of session in which bill is passed.