

CS FOR HOUSE BILL NO. 56(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/1/02

Referred: Today's Calendar

Sponsor(s): REPRESENTATIVES KOTT, Harris, Mulder, Crawford, Croft, Cissna

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to minimum wages; and providing for an effective date."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
4 to read:

5 LEGISLATIVE INTENT. It is the intent of the legislature that

6 (1) sections 2 - 4 of this Act embody the terms of the initiative identified as a
7 "Bill Increasing Alaska's Minimum Hourly Wage," petition ID: 01MNWG;

8 (2) those sections are substantially the same measure as the minimum wage
9 initiative; and

10 (3) if this Act is enacted before the election, the minimum wage initiative will
11 be void under art. XI, sec. 4, Constitution of the State of Alaska.

12 * **Sec. 2.** The uncoded law of the State of Alaska is amended by adding a new section to
13 read:

14 FINDINGS, DECLARATION, AND PURPOSE OF SECTIONS 3 AND 4. (a) The
15 legislature finds that

1 (1) an increase in the state minimum wage will help ensure a minimum
2 standard of living for the health and well-being of every Alaskan;

3 (2) employees working full-time at the minimum wage earn far less than the
4 federal poverty level for a family of three;

5 (3) the west coast states of Washington, Oregon, and California already have a
6 higher minimum wage than the minimum wage in Alaska; and

7 (4) a fair minimum wage indexed to the cost of living will help low-income
8 workers keep pace with inflation.

9 (b) It is the purpose of secs. 3 and 4 of this Act to increase the state minimum wage to
10 \$7.15 an hour, effective January 1, 2003, and thereafter adjust the minimum wage annually
11 for inflation.

12 * **Sec. 3.** AS 23.10.065(a) is amended to read:

13 (a) Except as provided under (b) of this section and as otherwise provided
14 for in law, for work performed on or after the effective date of this Act, an
15 employer shall pay to each employee wages at a rate of not less than \$7.15 [50
16 CENTS] an hour [GREATER THAN THE PREVAILING FEDERAL MINIMUM
17 WAGE LAW] for hours worked in a pay period, whether the work is measured by
18 time, piece, commission, or otherwise. An employer may not apply tips or gratuities
19 bestowed upon employees as a credit toward payment of the minimum hourly wage
20 required by this section. Tip credit as defined by the Fair Labor Standards Act of 1938
21 as amended does not apply to the minimum wage established by this section. The
22 department shall, by regulation, not later than September 30 of each calendar
23 year, adjust the minimum wage for inflation, effective for the following calendar
24 year. The minimum wage shall be either the most recent wage adjusted for 100
25 percent of the rate of inflation based on the Consumer Price Index for all urban
26 consumers for Anchorage, Alaska, prepared by the United States Bureau of
27 Labor Statistics or \$1 more than the federal minimum wage, whichever is
28 greater. The department shall round the adjusted minimum wage up to the
29 nearest one cent. The adjusted wage shall apply to work performed beginning on
30 January 1 through December 31 of the year for which it is effective.

31 * **Sec. 4.** Sections 2 and 3 of this Act take effect January 1, 2003.