

**SENATE BILL NO. 162**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE BY REQUEST

Introduced: 4/4/97

Referred: Labor and Commerce

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to payment of minimum wages to tipped employees; and  
2 providing for an effective date."

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

4 \* **Section 1.** This Act may be cited as the Tip Credit Act of 1997.

5 \* **Sec. 2.** AS 23.10.065(a) is amended to read:

6 (a) Except as provided under (b) and (d) of this section, an employer shall pay  
7 to each employee wages at a rate of not less than 50 cents an hour greater than the  
8 prevailing Federal Minimum Wage Law for hours worked in a pay period, whether the  
9 work is measured by time, piece, commission, or otherwise. [AN EMPLOYER MAY  
10 NOT APPLY TIPS OR GRATUITIES BESTOWED UPON EMPLOYEES AS A  
11 CREDIT TOWARD PAYMENT OF THE MINIMUM HOURLY WAGE REQUIRED  
12 BY THIS SECTION. TIP CREDIT AS DEFINED BY THE FAIR LABOR  
13 STANDARDS ACT OF 1938 AS AMENDED DOES NOT APPLY TO THE  
14 MINIMUM WAGE ESTABLISHED BY THIS SECTION.]

1 \* **Sec. 3.** AS 23.10.065 is amended by adding a new subsection to read:

2 (d) An employer must pay a tipped employee a minimum wage of at least  
3 \$5.25 an hour and, if the employee does not receive an amount in tips that is sufficient  
4 to increase the employee's wage rate to the minimum wage under (a) of this section,  
5 the additional amount necessary to raise the employee's wage to the minimum wage  
6 under (a) of this section.

7 \* **Sec. 4.** This Act applies to work performed on or after the effective date of this Act.

8 \* **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).