

CS FOR HOUSE BILL NO. 201(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/23/99

Referred: Rules

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the computation of overtime; and providing for an effective
2 date."

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

4 * **Section 1.** LEGISLATIVE FINDINGS. The legislature finds that

5 (1) some courts in the state have misinterpreted the intent of AS 23.10.060(b)
6 as it read before the effective date of this Act in a manner that may result in employers being
7 obligated to pay excessive overtime compensation; in particular, these courts have interpreted
8 AS 23.10.060(b) so that hours worked in excess of eight hours in a day are counted in order
9 to determine whether overtime is due under the statute's provision requiring payment of
10 overtime for hours worked in excess of 40 hours a week; the courts' interpretation has the
11 unintended result of requiring employers to pay overtime under the statute's provision
12 requiring payment of overtime for hours worked in excess of 40 hours a week under
13 circumstances in which the employee has not yet worked 40 hours at the employee's regular
14 rate of pay;

1 (2) the intent of this bill is to override the superior court's decision in Hallam
2 v. Holland America Line, Inc., d/b/a Westours Motor Coaches, Inc., 1JU-96-1734 CI,
3 concerning the calculation of overtime wages; the court in that case misinterpreted the intent
4 of AS 23.10.060(b);

5 (3) AS 23.10.060(b) as it read before the effective date of this Act was not
6 intended to require employers to pay at the overtime rate under the statute's provision
7 requiring payment of overtime for hours worked in excess of 40 hours a week unless and until
8 employees had first worked 40 hours at the regular rate of pay; and

9 (4) although the legislature believes that AS 23.10.060(b) should not have been
10 interpreted by the courts in a manner inconsistent with the finding in (3) of this section, the
11 legislature further finds that it is necessary to amend AS 23.10.060(b) in order to eliminate
12 any doubt on this subject.

13 * **Sec. 2.** AS 23.10.060(b) is repealed and reenacted to read:

14 (b) If an employer finds it necessary to employ an employee for hours in
15 excess of the limits set in this subsection, overtime compensation for the overtime at
16 the rate of one and one-half times the regular rate of pay shall be paid. An employee
17 is entitled to overtime for hours worked in excess of

18 (1) eight hours a day; or

19 (2) 40 hours a week; the number of hours worked in a week under this
20 paragraph shall be determined without including hours that are worked in excess of
21 eight hours in a day.

22 * **Sec. 3.** RETROSPECTIVE EFFECT. This Act is retroactive to April 1, 1997.

23 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).