

CS FOR HOUSE BILL NO. 56(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 2/8/02

Referred: Finance

Sponsor(s): REPRESENTATIVES KOTT, Harris, Mulder

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 uncodified law of the State of Alaska is amended by adding a new section
4 to read:

5 FINDINGS. The legislature finds that

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

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

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

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

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

15 (a) Except as provided under (b) of this section, **for work performed on or**

1 **after the effective date of this Act**, an employer shall pay to each employee wages at
2 a rate of not less than **\$7.15** [50 CENTS] an hour [GREATER THAN THE
3 PREVAILING FEDERAL MINIMUM WAGE LAW] for hours worked in a pay
4 period, whether the work is measured by time, piece, commission, or otherwise. An
5 employer may not apply tips or gratuities bestowed upon employees as a credit toward
6 payment of the minimum hourly wage required by this section. Tip credit as defined
7 by the Fair Labor Standards Act of 1938 as amended does not apply to the minimum
8 wage established by this section. **The department shall, by regulation, not later**
9 **than September 30 of each calendar year, adjust the minimum wage for inflation,**
10 **effective for the following calendar year. The minimum wage shall be either the**
11 **most recent wage adjusted for 50 percent of the rate of inflation based on the**
12 **Consumer Price Index for all urban consumers for Anchorage, Alaska, prepared**
13 **by the United States Bureau of Labor Statistics or \$1.00 more than the federal**
14 **minimum wage, whichever is greater. The department shall round the adjusted**
15 **minimum wage up to the nearest one cent. The adjusted wage shall apply to**
16 **work performed beginning on January 1 through December 31 of the year for**
17 **which it is effective.**

18 * Sec. 3. This Act takes effect January 1, 2003.