

HOUSE BILL NO. 42

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVES GARA, CRAWFORD, GARDNER, BUCH, DOLL, DOOGAN, HOLMES,
GUTTENBERG, KERTTULA, AND GRUENBERG**

Introduced: 1/16/07

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act increasing the minimum wage; creating an annual adjustment to the minimum**
2 **wage based on the rate of inflation; and providing for an effective date."**

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

4 *** Section 1.** AS 23.10.065(a) is amended to read:

5 (a) Except as provided under (b) of this section and as otherwise provided for
6 in law, for work performed on or after **July 1, 2007** [JANUARY 1, 2003], an
7 employer shall pay to each employee wages at a rate of not less than **the wage**
8 **established in this subsection** [\$7.15 AN HOUR] for hours worked in a pay period,
9 whether the work is measured by time, piece, commission, or otherwise. An employer
10 may not apply tips or gratuities bestowed upon employees as a credit toward payment
11 of the minimum hourly wage required by this section. Tip credit as defined by the Fair
12 Labor Standards Act of 1938 as amended does not apply to the minimum wage
13 established by this section. **The minimum wage under this subsection is the greater**
14 **of**

1 **(1) \$1 more an hour than the federal minimum wage; or**

2 **(2) \$8.00 an hour as adjusted under this paragraph; the**
3 **department shall, by regulation, not later than September 30 of each calendar**
4 **year, adjust the minimum wage established in this paragraph for inflation**
5 **effective for the following calendar year; the adjusted wage shall be the most**
6 **recent wage under this paragraph adjusted for 100 percent of the rate of inflation**
7 **based on the Consumer Price Index for all urban consumers for the Anchorage**
8 **metropolitan area, compiled by the Bureau of Labor Statistics, United States**
9 **Department of Labor; the department shall round the adjusted minimum wage**
10 **up to the nearest one cent; the adjusted wage shall apply to work performed**
11 **beginning on January 1 through December 31 of the year for which it is effective.**

12 * **Sec. 2.** This Act takes effect July 1, 2007.