

**HOUSE BILL NO. 203 am**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVES SUMNER, McKay, Prax, Wright, Baker, Schrage, Coulombe, McCabe, Tomaszewski**

**Amended: 5/1/24  
Introduced: 5/16/23**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to wage payments."**

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

3 \* **Section 1.** AS 23.10.040(a) is amended to read:

4 (a) Except as otherwise provided by AS 23.10.044 and AS 37.25.050, an  
5 employer of labor performing services in this state shall pay the wages or other  
6 compensation for the services with lawful money of the United States or with  
7 negotiable checks, drafts, or orders payable upon presentation without discount by a  
8 bank or depository inside the state.

9 \* **Sec. 2.** AS 23.10 is amended by adding a new section to read:

10 **Sec. 23.10.044. Wage payment by credit to a payroll card account.** (a) An  
11 employer may credit employee wages to a payroll card account if an employee has  
12 voluntarily authorized the credit.

13 (b) An employer paying an employee's wages by credit to a payroll card  
14 account shall notify the employee

15 (1) of the employee's wage payment options;

1 (2) of the payroll card terms and conditions, including a list of fees  
2 assessed by the payroll card issuer;

3 (3) of a cost-free method for the employee to access wages credited to  
4 the payroll card account;

5 (4) of a cost-free method for the employee to check the payroll card  
6 account balance; and

7 (5) that, in addition to fees assessed by the card issuer, the card may be  
8 subject to additional fees.

9 (c) A payroll card account must provide an employee

10 (1) at least one cost-free withdrawal every two weeks or pay period,  
11 whichever is shorter, in an amount up to the amount of the employee's net wages;

12 (2) an unlimited cost-free mechanism to check the payroll card account  
13 balance through an automated telephone system and an additional unlimited cost-free  
14 electronic mechanism to check payroll card account balances.

15 (d) An employer may not offer a payroll card account that charges fees for

16 (1) employee application for, initiation of, or participation in the  
17 payroll card account;

18 (2) issuance of an employee's initial payroll card and one replacement  
19 card each calendar year;

20 (3) transfer of employee wages or other compensation from the  
21 employer to the payroll card account;

22 (4) point-of-sale purchase transactions.

23 (e) An employer may not offer a payroll card account unless employee wages  
24 or other forms of compensation credited to the account are insured on a pass-through  
25 basis to the employee by the Federal Deposit Insurance Corporation, the National  
26 Credit Union Administration, or another entity that insures bank deposits.

27 (f) This section does not limit the right of employees to bargain collectively  
28 through representatives of their own choosing to establish mechanisms for payment of  
29 wages in excess of the minimum requirements of this section.

30 (g) In this section,

31 (1) "payroll card" means a card or other device used by an employee to

1 access the employee's wages from a payroll card account;  
2 (2) "payroll card account" means an employee's account established  
3 through an employer to which the employer transfers the employee's wages or other  
4 compensation.