

HCS SS SCS SB 255, 249 & 279 -- FEDERAL STANDARDS FOR OVERTIME WAGES

SPONSOR: Loudon (Muschany)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on General Laws by a vote of 5 to 3.

This substitute re-enacts the federal overtime standards in effect prior to the passage of Proposition B (2006) regarding the minimum wage increase, including the exemptions for firefighters, commissioned employees, and flex-time pay rate employees; repeals the indexing provision that adjusts the Missouri minimum wage to movements in the federal Consumer Price Index; and makes the federal standards for hourly wage for employees earning gratuities applicable in Missouri.

The substitute contains an emergency clause.

FISCAL NOTE: Estimated Income on General Revenue Fund of \$1,193,597 in FY 2008, \$1,362,643 in FY 2009, and \$1,529,844 in FY 2010. Estimated Income on Other State Funds of \$8,072,600 in FY 2008, \$8,314,778 in FY 2009, and \$8,564,222 in FY 2010.

PROPONENTS: Supporters say that the bill is necessary to correct the changes that were made to overtime pay requirements by the Proposition B ballot measure in the last general election. The change drastically increased the overtime employers pay to flex-time employees. The effect of the overtime change has reduced public safety since municipalities cannot pay the huge overtime costs for firefighters working large numbers of hours in one week with time off the next. Municipalities are faced with cutting employees or not paying the overtime. Private employers also object to the overtime standards for commissioned employees. Without hourly standards, employees will only work during peak sales times; and employers cannot retain sufficient staff for off-peak sales times. The new overtime requirements cost the State Highway Patrol an additional \$8 million annually.

Testifying for the bill were Senator Loudon; State Highway Patrol; Missouri Sheriffs Association; Missouri Hospital Association; City of Harrisonville; Mike Gantner; Scott Seppelt; Fire Chief Terry Loehrer; Missouri Ambulance Association; Missouri State Council of Firefighters; Missouri Municipal League; Missouri Association of Counties; James Kottmeyer; St. Louis County Municipal League; Missouri Chiefs of Police; St. Louis Police Officers' Association; Bruce Williams; Missouri Fire Service Alliance; Monarch Fire Protection District; Creve Coeur Fire Protection District; Metro West Fire Protection District; West County EMS and Fire Protection District; and Missouri

Retailers Association.

OPPONENTS: There was no opposition voiced to the committee.