



# SENATE BILL 82: Achieving Business Efficiencies.

2017-2018 General Assembly

---

|                       |               |                     |                              |
|-----------------------|---------------|---------------------|------------------------------|
| <b>Committee:</b>     |               | <b>Date:</b>        | September 28, 2017           |
| <b>Introduced by:</b> |               | <b>Prepared by:</b> | Greg Roney<br>Staff Attorney |
| <b>Analysis of:</b>   | S.L. 2017-185 |                     |                              |

---

**OVERVIEW:** *S.L. 2017-185 exempts an employee of a seasonal amusement or recreational establishment from State overtime and record keeping requirements and removes the authority of the Commissioner of Labor to allow this same group of employees to be paid less than minimum wage.*

*This act becomes effective January 1, 2018.*

**CURRENT LAW:** Under G.S. 95-25.14(c), the following 7 groups are exempt from G.S. 95-25.4 (Overtime) and G.S. 95-25.15(b) (Record Keeping): (1) drivers, drivers' helpers, loaders and mechanics; (2) taxicab drivers; (3) seamen, employees of railroads, and employees of air carriers; (4) salespersons, mechanics and partsmen employed by automotive, truck, and farm implement dealers; (5) salespersons employed by trailer, boat, and aircraft dealers; (6) live-in child care workers or other live-in employees in homes for dependent children; (7) radio and television announcers, news editors, and chief engineers.

**BILL ANALYSIS:** S.L. 2017-185 will add a new group of workers exempt from G.S. 95-25.4 (Overtime) and G.S. 95-25.15(b) (Record Keeping): any employee of a seasonal amusement or recreational establishment.

S.L. 2017-185 will also remove the authority of the Commissioner of Labor to allow this same group (i.e., employees of a seasonal amusement or recreational establishment) to be paid less than the State minimum wage.

**EFFECTIVE DATE:** S.L. 2017-185 becomes effective January 1, 2018.

**BACKGROUND:** Employees who work for employers with at least two employees and that meet either of the following conditions are covered by the federal Fair Labor Standards Act (FLSA):

- Employer has an annual dollar volume of sales or business of at least \$500,000
- Employer is a hospital, a provider of medical or nursing care for residents, a school, a preschool, or a government agency

FLSA requires that covered employers pay their employees at least the federal minimum wage and overtime pay (i.e., at time and one-half the regular rate of pay after 40 hours in a workweek). FLSA exempts the following employees from the minimum wage and overtime requirements: "any employee employed by an establishment which is an amusement or recreational establishment, organized camp, or religious or non-profit educational conference center."

States elect whether to apply the federal exemptions. For seasonal recreational and amusement establishments, North Carolina statutorily adopted the higher of State or federal minimum wage, authorized the Commissioner of Labor to allow employees to be paid less than minimum wage, and

Karen Cochrane-Brown  
Director



Legislative Analysis  
Division  
919-733-2578

*This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.*

# **Senate Bill 82**

*Page 2*

provided overtime for employees who work more than 45 hours per week (before the effective date of S.L. 2017-185).