

NEWS RELEASE

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Chamber Joins Legal Effort against New Federal Overtime Regulations

LUBBOCK, Texas – The Lubbock Chamber of Commerce has joined a broad coalition of business groups in a legal challenge filed today to block the Department of Labor’s (DOL) new federal overtime regulations. The DOL’s rule is currently slated to take effect December 1.

Along with the Lubbock Chamber, the legal effort includes the U.S. Chamber of Commerce, Texas Association of Business, National Automobile Dealers Association, National Association of Manufacturers, National Association of Wholesaler Distributors, National Federation of Independent Business, National Retail Federation and more than 50 other national and Texas business groups and chambers of commerce.

“These new overtime regulations will hurt job and economic growth as well as the very employees the DOL claims this will help,” said Beth Bridges, Lubbock Chamber Chairwoman.

The suit charges that, by setting an excessively high salary threshold for determining who qualifies as “executive, administrative and professional employees,” the rule departs from the intent established by Congress in the Fair Labor Standards Act and consistently administered by DOL for more than 75 years. Furthermore, DOL ignored regional and industry differences that have previously been acknowledged, resulting in a “one size fits none” salary threshold. The suit also argues that the provision to automatically update the salary threshold every three years without a rulemaking or taking input from affected parties is not authorized by the Fair Labor Standards Act or any other relevant statute.

“We have heard from many of our members who are concerned that the new overtime rule goes too far,” Bridges stated. “The cost of this regulatory overreach will disproportionately fall on smaller businesses, nonprofits, municipalities and institutions of higher education in areas with a lower cost of living such as Lubbock, and will reduce workplace flexibility and opportunities for career advancement.”

In addition to the private groups’ suit, a coalition of 21 states including Texas filed a challenge at the same time reinforcing the range of entities that will have severe problems complying with



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this regulation. Both lawsuits were filed in the U.S. District Court for the Eastern District of Texas.

The Lubbock Chamber of Commerce represents over 2,000 businesses and over 79,000 employees on the South Plains which accounts for over \$2 billion in annual household earnings in Lubbock and West Texas. The Chamber has twice earned the distinguished 5-Star Accreditation from the U.S. Chamber of Commerce and is a two-time Chamber of the Year recognized by the Association of Chamber of Commerce Executives.

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