

FINAL BILL REPORT

SSB 5904

C 63 L 09
Synopsis as Enacted

Brief Description: Defining independent contractor for purposes of prevailing wage.

Sponsors: Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kohl-Welles, Prentice, Keiser, Franklin, Hobbs and Kline).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: Laborers, workers, and mechanics on all public works and public building service maintenance contracts must be paid prevailing wages. Prevailing wage is the rate of hourly wage, usual benefits, and overtime paid in the locality, or largest city in the county where the work is being performed. The prevailing wage is determined by the industrial statistician at the Department of Labor and Industries.

Summary: Independent contractor is defined for prevailing wage purposes. An individual employed on a public works project is not considered to be a laborer, worker, or mechanic, and consequently not required to be paid prevailing wages, when:

- the individual has been and is free from control or direction over the performance of services;
- the service is outside the usual course of business for the contractor for whom the individual performs services;
- the individual is customarily engaged in an independently established trade;
- the individual is responsible for filing paperwork with the Internal Revenue Service;
- the individual has an active and valid certificate of registration with the Department of Revenue for the business the individual is conducting;
- the individual maintains separate books and records; and
- the individual has a valid contractor registration or license if the nature of the work requires registration or licensure.

Votes on Final Passage:

Senate	27	15
House	63	34

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Effective: July 26, 2009