
Labor & Workforce Development Committee

HB 2299

Brief Description: Permitting local governments to opt out of prevailing wage requirements.

Sponsors: Representatives Pike, Manweller, Harris and Condotta.

Brief Summary of Bill

- Allows a county, municipality, or political subdivision of the state to opt out of the prevailing wage requirements on public works and public building service maintenance contracts that are less than \$5 million, if a majority of the local governing body votes to opt out.

Hearing Date: 1/28/14

Staff: Trudes Tango (786-7384).

Background:

State law requires that prevailing wages be paid to laborers, workers, and mechanics on all public works and under all public building service maintenance contracts. Public work means all work, construction, alteration, repair, or improvement other than ordinary maintenance that is executed at the cost of the state or any municipality.

The prevailing wage is the hourly wage, usual benefits, and overtime paid in the largest city in each county, to the majority of workers, laborers, or mechanics in the same trade or occupation. The Department of Labor and Industries (Department) establishes the prevailing wage for each trade and occupation by conducting wage surveys of employers, contractors, and labor unions. If the majority of workers in a trade or occupation in the largest city of a county are paid at the same wage rate for the same work, that wage becomes the prevailing wage for that work. If no single wage rate is paid to a majority of workers in the same trade or occupation in the largest city in a county, an average wage is calculated and established as the prevailing wage.

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.

Workers regularly employed by the state or any political subdivision are statutorily exempt from the prevailing wage requirements. Additionally, the prevailing wage requirements do not apply to: sole owners and their spouses; any partner who owns at least 30 percent of a partnership; or the president, vice president, and treasurer of a corporation if each one owns at least 30 percent of the corporation.

Summary of Bill:

A county, municipality, or political subdivision of the state may opt out of the prevailing wage requirements for public works and public building service maintenance contracts estimated to cost less than \$5 million, exclusive of engineering fees, land acquisition costs, taxes, and the cost of any change orders. A majority of the local governing body must vote to opt out.

An awarding agency may subdivide or otherwise disaggregate a public works project to qualify for the opt out provision.

"Local governing body" means a council, board, commission, or other legislative authority charged with governing the county, municipality, or political subdivision of the state.

Appropriation: None.

Fiscal Note: Requested on January 22, 2014.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.