

SENATE BILL REPORT

SB 5926

As Reported By Senate Committee On:
Labor, Commerce & Financial Institutions, February 22, 2001

Title: An act relating to prevailing wage civil penalties.

Brief Description: Depositing wage fines in the public works administration account.

Sponsors: Senators Costa, Prentice, Roach and Fairley.

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 2/20/01, 2/22/01 [DP, DNP].

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Gardner, Vice Chair; Fairley, Franklin, Patterson, Rasmussen, Regala, West and Winsley.

Minority Report: Do not pass.

Signed by Senator Honeyford.

Staff: Jack Brummel (786-7428)

Background: The Department of Labor and Industries administers and enforces the state prevailing wage law, charging contractors and subcontractors fees for approving statements of intent, certifying affidavits of wages paid, and arbitrating prevailing wage disputes. The fees must be set at a level that generates revenue "as near as practicable" to the amount of the appropriation made to carry out these activities. The fees for approving statements of intent and certifying affidavits may not exceed \$25. The fees for arbitrating disputes are not limited. All fees are deposited in the public works administration account.

The department also assesses civil penalties against contractors and subcontractors for filing false statements of intent, failing to file statements of intent, or failing to pay prevailing wages. The civil penalty for filing a false statement or failing to file is \$500. The civil penalty for failing to pay prevailing wages is \$1,000, or 20 percent of the total prevailing wage violation, whichever is greater. All civil penalties are deposited in the general fund.

Each quarter, an amount equaling 30 percent of the revenues received into the public works administration account is transferred into the state general fund. Except for money transferred into the general fund, the money in the public works administration account may be appropriated only to administer the state prevailing wage law.

Summary of Bill: Civil penalties for prevailing wage law violations are deposited in the public works administration account, rather than the general fund.

Appropriation: None.

Fiscal Note: Requested on February 16, 2001.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The Department of Labor and Industries does not have enough people to enforce prevailing wage laws. It can take months and months to settle prevailing wage claims, so if the funds are put in the prevailing wage account, the money can be used right away for enforcement. The bill will have the effect of encouraging the department to enforce the law more rigorously.

Testimony Against: None.

Testified: PRO: Senator Costa, prime sponsor; Dan Sexton, WA Assn. of Plumbers; Richard King, IBEW.