

SENATE BILL REPORT

ESHB 2864

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 28, 2008

Title: An act relating to filing certified payroll records on public works projects.

Brief Description: Requiring the filing of certified payroll records on public works projects.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Ormsby, Wood, Barlow, Hasegawa and Simpson).

Brief History: Passed House: 2/18/08, 63-32.

Committee Activity: Labor, Commerce, Research & Development: 2/26/08, 2/28/08 [DP, DNP].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Franklin, Murray and Prentice.

Minority Report: Do not pass.

Signed by Senators Holmquist, Ranking Minority Member; King.

Staff: Mac Nicholson (786-7445)

Background: Laborers, workers, and mechanics working on public works projects must be paid no less than the prevailing wage. The prevailing wage is the hourly wage, usual benefits, and overtime paid to the majority of workers, laborers, or mechanics in the largest city in the county where the physical work is being performed. When project-specific nonstandard items are produced off-site, the prevailing wage is determined using the location where the prefabrication occurs. If prefabrication occurs out of state, prevailing wage laws are not applied to the out-of-state work.

Contractors and subcontractors on public works projects must keep accurate payroll records, showing the name, address, straight time rate, hourly rate of usual benefits, overtime hours worked, and the actual rate of wages paid. A contractor must file a certified copy of the payroll records with the awarding agency and with the Department of Labor and Industries upon request.

Summary of Bill: Public works contracts must contain a provision requiring the general contractor to submit a list of all subcontractors that will supply any off-site, prefabricated,

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.

nonstandard, project-specific products. The list must identify all products supplied, the names and employer identification numbers of subcontractors, and the product's anticipated cost.

The awarding agency on a public works project involving the off-site prefabrication of a nonstandard, project-specific product, must require the contractor or subcontractor of the products to submit a certified list containing the following information: the contractor or subcontractor's name and employer identification number; the contract amount; the labor hours expended producing the product; and the hourly minimum rate paid in each trade or occupation producing the product. When an interested party makes a written request of a contractor or subcontractor to file certified payroll records for off-site prefabrication products, the contractor or subcontractor must file the records only with the awarding agency.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Engrossed Substitute Bill: PRO: This bill will provide information about prefabricated, off-site products and how much of a disadvantage is created when these products are produced out of state. The bill requires one time reporting at the end of the project. Small contractors in border areas brought the bill forward, because they are at a competitive disadvantage when bidding on public works projects, as out of state work isn't subject to prevailing wage requirements. The bill seeks to establish a baseline of what that competitive disadvantage is for Washington contractors. The bill just attempts to define the problem.

CON: This bill has unintended consequences. Its difficult for employers to assign particular overtime hours to specific projects. The bill is burdensome and costly to contractors and public owners, and it has marginal benefits. The information being sought is currently available, and the bill just adds an additional and unnecessary layer.

Persons Testifying: PRO: Representative Ormsby, prime sponsor; Mark Riker, Sheet Metal Workers; David Johnson, Washington State Building Trades.

CON: Aran Buchan, Associated Builders and Contractors; Judy Jewell, Olympian Precast; Rick Slunaker, Associated General Contractors; Larry Stevens, Mechanical and Electrical Contractors.