HOUSE BILL 2864

State of Washington 60th Legislature 2008 Regular Session

By Representatives Ormsby, Wood, Barlow, Hasegawa, and Simpson Read first time 01/17/08. Referred to Committee on Commerce & Labor.

- AN ACT Relating to filing certified payroll records on public works projects; and amending RCW 39.12.030 and 39.12.040.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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- 4 **Sec. 1.** RCW 39.12.030 and 1989 c 12 s 9 are each amended to read 5 as follows:
 - (1) The specifications for every contract for the construction, reconstruction, maintenance, or repair of any public work, to which the state or any county, municipality, or political subdivision created by its laws is a party, shall contain a provision stating the hourly minimum rate of wage, not less than the prevailing rate of wage, which may be paid to laborers, workers, or mechanics in each trade or occupation required for such public work employed in the performance of the contract either by the contractor, subcontractor or other person doing or contracting to do the whole or any part of the work contemplated by the contract, and the contract shall contain a stipulation that such laborers, workers, or mechanics shall be paid not less than such specified hourly minimum rate of wage.
- 18 <u>(2) Every contract for the construction, reconstruction,</u>
 19 maintenance, or repair of any public work, to which the state or any

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- 1 county, municipality, or political subdivision created by its laws is
- 2 a party, shall contain a provision that contractors and subcontractors
- 3 for any off-site prefabrication of nonstandard, project-specific items
- 4 shall submit certified payroll records as required by RCW
- $5 \quad 39.12.040(1)(c)$.

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- 6 **Sec. 2.** RCW 39.12.040 and 2007 c 210 s 4 are each amended to read 7 as follows:
 - (1)(a) Except as provided in subsection (2) of this section, before payment is made by or on behalf of the state, or any county, municipality, or political subdivision created by its laws, of any sum or sums due on account of a public works contract, it shall be the duty of the officer or person charged with the custody and disbursement of public funds to require the contractor and each and every subcontractor from the contractor or a subcontractor to submit to such officer a "Statement of Intent to Pay Prevailing Wages". For a contract in excess of ten thousand dollars, the statement of intent to pay prevailing wages shall include:
- $((\frac{a}{a}))$ (i) The contractor's registration certificate number; and $((\frac{b}{a}))$ (ii) The prevailing rate of wage for each classification of workers entitled to prevailing wages under RCW 39.12.020 and the estimated number of workers in each classification.
 - Each statement of intent to pay prevailing wages must be approved by the industrial statistician of the department of labor and industries before it is submitted to said officer.
 - (b) Unless otherwise authorized by the department of labor and industries, each voucher claim submitted by a contractor for payment on a project estimate shall state that the prevailing wages have been paid in accordance with the prefiled statement or statements of intent to pay prevailing wages on file with the public agency.
- 30 (c) For a public works project involving the off-site
 31 prefabrication of a nonstandard, project-specific item, before final
 32 acceptance of the project the awarding agency shall require the
 33 contractor and any subcontractor of the item to submit to the awarding
 34 agency and to the department of labor and industries a certified copy
 35 of the payroll records for all hours worked on the item by each
 36 laborer, worker, and mechanic. The records shall be on a form approved

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by the department of labor and industries and shall include a statement that no laborer, worker, or mechanic has been paid less than the prevailing rate of wage.

- (d) Following the final acceptance of a public works project, it shall be the duty of the officer charged with the disbursement of public funds, to require the contractor and each and every subcontractor from the contractor or a subcontractor to submit to such officer an "Affidavit of Wages Paid" before the funds retained according to the provisions of RCW 60.28.010 are released to the contractor. Each affidavit of wages paid must be certified by the industrial statistician of the department of labor and industries before it is submitted to said officer.
- (2) As an alternate to the procedures provided for in subsection (1) of this section, for public works projects of two thousand five hundred dollars or less and for projects where the limited public works process under RCW 39.04.155(3) is followed:
- (a) An awarding agency may authorize the contractor or subcontractor to submit the statement of intent to pay prevailing wages directly to the officer or person charged with the custody or disbursement of public funds in the awarding agency without approval by the industrial statistician of the department of labor and industries. The awarding agency shall retain such statement of intent to pay prevailing wages for a period of not less than three years.
- (b) Upon final acceptance of the public works project, the awarding agency shall require the contractor or subcontractor to submit an affidavit of wages paid. Upon receipt of the affidavit of wages paid, the awarding agency may pay the contractor or subcontractor in full, including funds that would otherwise be retained according to the provisions of RCW 60.28.010. Within thirty days of receipt of the affidavit of wages paid, the awarding agency shall submit the affidavit of wages paid to the industrial statistician of the department of labor and industries for approval.
- (c) A statement of intent to pay prevailing wages and an affidavit of wages paid shall be on forms approved by the department of labor and industries.
- (d) In the event of a wage claim and a finding for the claimant by the department of labor and industries where the awarding agency has used the alternative process provided for in subsection (2) of this

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section, the awarding agency shall pay the wages due directly to the claimant. If the contractor or subcontractor did not pay the wages stated in the affidavit of wages paid, the awarding agency may take action at law to seek reimbursement from the contractor or subcontractor of wages paid to the claimant, and may prohibit the contractor or subcontractor from bidding on any public works contract of the awarding agency for up to one year.

 (e) Nothing in this section shall be interpreted to allow an awarding agency to subdivide any public works project of more than two thousand five hundred dollars for the purpose of circumventing the procedures required by ((RCW 39.12.040(1))) subsection (1) of this section.

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