
Labor & Workforce Development Committee

HB 2331

Brief Description: Concerning certified payroll records on public works projects.

Sponsors: Representatives Sells, Ormsby, Moscoso, Moeller, Ryu, Reykdal and Pollet.

Brief Summary of Bill

- Requires contractors and subcontractors on public works projects to submit certified payroll records before any payment or final payment is made or retainage is released to the contractor.

Hearing Date: 1/21/14

Staff: Trudes Tango (786-7384).

Background:

Prevailing wages: Contractors and subcontractors on public works projects and public building service maintenance contracts are required to pay their workers prevailing wages when employed on those projects and contracts. The prevailing wage is the hourly wage, usual benefits, and overtime paid in the largest city in each county to the majority of workers in a particular trade or occupation. The Department of Labor and Industries (Department) establishes prevailing wage rates for each trade and occupation and is responsible for administering and enforcing the prevailing wage law.

Contract retainage: Public agencies that award public improvement contracts must withhold an amount of up to five percent of the money due to the contractor. This retainage is used to help satisfy claims anyone, such as a laborer or supplier, may have under the contract. Once the contract work is completed, the contractor may request release of the retainage, and the public agency has 60 days to release the retainage, subject to the requirements of the prevailing wage law.

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.

Intents and affidavits: Contractors and subcontractors on public works projects must submit an "intent" to pay prevailing wages to the awarding agency before any payment by the agency is made. After the final acceptance of the project, contractors and subcontractors must submit an "affidavit" stating that prevailing wages have been paid.

Intents and affidavits must be approved by the industrial statistician at the Department before they are submitted to the awarding agency. An awarding agency may not release the contract retainage until all affidavits are submitted.

Certified payroll records: Contractors must keep accurate payroll records for three years from the date of acceptance of a public works project. Upon the written request of the Department or any interested party, the contractor must, within 10 days of the request, file a certified copy of the payroll records with the agency that awarded the public works contract and with the Department.

Summary of Bill:

Before any payment is made on a public works project, the awarding agency must require the contractor and each subcontractor to submit to the awarding agency certified payroll records. After final acceptance of the public works project, the awarding agency must require certified payroll records before final payment is made and the retainage is released. Certified payroll records must be submitted on forms approved by the Department.

Appropriation: None.

Fiscal Note: Requested on January 16, 2014.

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