

SENATE BILL REPORT

SB 5950

As Reported by Senate Committee On:
Commerce & Labor, February 18, 2015

Title: An act relating to ensuring the accuracy of prevailing wage survey data provided by interested parties.

Brief Description: Ensuring the accuracy of prevailing wage survey data provided by interested parties.

Sponsors: Senators Braun and Baumgartner.

Brief History:

Committee Activity: Commerce & Labor: 2/16/15, 2/18/15 [DP, DNP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; King and Warnick.

Minority Report: Do not pass.

Signed by Senators Hasegawa, Ranking Minority Member; Conway and Keiser.

Staff: Mac Nicholson (786-7445)

Background: Employers on public works projects must pay prevailing wages. The prevailing wage is the hourly wage, usual benefits, and overtime paid to the majority of workers in the same trade or occupation in the largest city of the county where the work is being performed. Prevailing wage rates are established by the industrial statistician at the Department of Labor and Industries (L&I) for each trade and occupation employed in the performance of public work. To determine the prevailing wages, L&I conducts wage surveys where employers, contractors, and labor unions are asked to submit wage and hour data. L&I develops the wage survey mailing list using industrial insurance, intent and affidavit filing, and licensing data. A prevailing wage can also be established by adopting the wage and benefit adjustments established in collective bargaining agreements.

Interested parties may also submit survey forms. Interested parties are defined to include contractors, subcontractors, employees, and organizations whose members' wages, benefits, and conditions of employment are affected by the prevailing wage laws. Interested parties

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may submit survey data using wage and hour data from certified payroll records or the prevailing wage affidavits that contractors must file on public works projects. With the exception of labor unions filing on behalf of signatory contractors, interested parties must attach copies of these source documents to the survey form.

Summary of Bill: When an interested party submits a wage survey on behalf of a contractor, and the contractor has not signed the survey form, L&I must send a copy of the form to the contractor and provide information about how to dispute the accuracy of data on the survey form. The contractor must notify L&I in the event of a dispute, and if the contractor intends to provide L&I with certified payroll, it must do so within 30 days.

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: PRO: Employers should be able to see the salary survey data. Surveys may include other trades, and numbers may be inflated. This is a problem that needs to be fixed. The surveys aren't back-checked to the employers. The whole process is rife with errors and fabrications.

CON: The bill adds a step to the process currently in place when an interested third party has provided data. Interested third parties are using L&I data in survey responses, so L&I already has the ability to see where the data comes from.

Persons Testifying: PRO: Senator Braun, prime sponsor; Ben Petersen, Professional Land Surveyors; Mike Root, Tetra Tech; Jon Warren, Land Surveyors Assn. of WA.

CON: Josh Swanson, International Union of the Operating Engineers; Lee Newgent, WA Building Trades.