

**SENATE BILL REPORT**

**SB 6281**

**AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, JANUARY 28, 1994**

**Brief Description:** Providing penalties for multiple failures by a contractor or subcontractor to pay the prevailing rate of wage.

**SPONSORS:** Senators Pelz, Prentice, Winsley and Quigley; by request of Department of Labor & Industries

**SENATE COMMITTEE ON LABOR & COMMERCE**

**Majority Report:** That Substitute Senate Bill No. 6281 be substituted therefor, and the substitute bill do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Amondson, Deccio, Fraser, McAuliffe, Newhouse, Pelz, Prince, Sutherland, Vognild and Wojahn.

**Staff:** Jonathan Seib (786-7427)

**Hearing Dates:** January 20, 1994; January 28, 1994

**BACKGROUND:**

State law requires employers to pay their workers no less than the prevailing wage on all public works projects. Certain statements must be filed by the employer with the Department of Labor and Industries in connection with the payment of these wages.

Employers who file false statements, or fail to file the required statements are subject to a civil penalty of \$500, and may not bid on another public works contract until the penalty is paid. An employer committing two such violations within a five-year period may not bid on another contract for a period of one year.

Employers who fail to pay the prevailing wage are subject to a civil penalty of not less than \$1000 or 20 percent of the wage claim, whichever is greater, and may not bid on another public works contract until the penalty is paid. There is no additional penalty for repeat violators.

There is concern that existing penalties are insufficient to prevent violations of the requirement to pay prevailing wages.

**SUMMARY:**

A contractor or subcontractor found to have failed to pay the prevailing wage as required for a second time within a five-year period shall not be allowed to bid on a public works project for a period of two years.

**EFFECT OF PROPOSED SUBSTITUTE:**

It is clarified that the bid prohibition will not apply to violations determined to be inadvertent filing or reporting errors.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested January 18, 1994

**TESTIMONY FOR:**

The bill is needed to allow for better enforcement of the state's prevailing wage law.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Joe Brewer, Greg Mowat, Dept. of Labor and Industries; Allan Darr, WA State Building and Construction Trades Council (pro); Dick Ducharme