

SENATE BILL REPORT

SHB 1254

As Reported by Senate Committee On:
Commerce & Labor, February 26, 2014

Title: An act relating to prevailing wage filings.

Brief Description: Prevailing wage filings.

Sponsors: House Committee on Labor & Workforce Development (originally sponsored by Representatives Manweller and Condotta).

Brief History: Passed House: 1/24/14, 96-0.

Committee Activity: Commerce & Labor: 2/19/14, 2/26/14 [DP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Conway, Ranking Member; Hasegawa, Hewitt, King and Kohl-Welles.

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. The prevailing wage is determined by the industrial statistician at the Department of Labor and Industries (L&I). Prevailing wage requirements apply to all public works and public building service maintenance contracts of the state or any county, municipality, or political subdivision. 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.

Workers regularly employed by the state or any political subdivision are statutorily exempt from the prevailing wage requirements. Additionally, by rule the prevailing wage requirements do not apply to sole owners and their spouses; any partner who owns at least 30 percent of a partnership; or the president, vice president, and treasurer of a corporation if each one owns at least 30 percent of the corporation.

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.

Contractors and subcontractors on a public works project must submit a statement of intent to pay prevailing wages (Intent) after the contract is awarded but before work begins. After all of the work is complete, contractors and subcontractors must submit an affidavit of wages paid (Affidavit), which lists all subcontractors hired, the number of workers the employer used from each trade, and the total amount paid for the work. The forms are filed with L&I and, when certified by the industrial statistician, are submitted by the contractor to the agency administering the contract. There is a statutorily required filing fee of \$40 for both the Intent and Affidavit.

Summary of Bill : L&I cannot charge a filing fee for an Affidavit filed by an individual or entity who is exempt from the requirement to pay prevailing wages.

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 Proposed Striking Amendment: PRO: The bill simply holds people harmless if they are not covered by prevailing wage. The fee on recurring contracts can add up to thousands of dollars. The bill is a fair compromise. The Legislature needs data regarding the prevailing wage survey in order to do good analysis.

CON: This bill undercuts funding for L&I's prevailing wage administration. The bill would require L&I to collect new data at the same time funding is being cut. The striking amendment creates an additional burden on L&I.

OTHER: L&I advises slight administrative tweaks on the substitute bill to clarify language.

Persons Testifying: PRO: Representative Manweller, prime sponsor.

CON: Joe Kendo, WA State Labor Council, AFL-CIO; Neil Hartman, WA Building & Construction Trades Council.

OTHER: Liz Smith, L&I.