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**SUBSTITUTE HOUSE BILL 2742**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** House Labor & Workplace Standards (originally sponsored by Representatives Doglio, Tarleton, Fey, Appleton, Bergquist, and Tharinger)

AN ACT Relating to establishing maritime Puget Sound regional prevailing wages; adding a new section to chapter 39.12 RCW; and creating a new section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  The legislature finds that the state of Washington amended the prevailing wage statute in 2003 to require that the prevailing rate of wage be determined on a county basis. After the 2003 legislation, prevailing wage data collected by the department of labor and industries may be used only in the county for which the work was performed.

This standard is appropriate for land-based public works construction projects; however, it is not suitable for determining the shipbuilding and ship repair rates. The performance of shipbuilding and ship repair public works is not site-specific. Vessels may be built or repaired in a shipyard in one county and put into service in another county. The maritime industry was an oversight when RCW 39.12.026 was enacted. In fact, the last prevailing wage survey for shipbuilding and ship repair was conducted in 1996, which predated the 2003 changes.

The legislature further finds that this methodology is not appropriate and that a regional maritime prevailing wage rate, instead of a county rate, is the most proper standard for the two categories of shipbuilding and ship repair.

NEW SECTION. **Sec.**  A new section is added to chapter 39.12 RCW to read as follows:

(1) For the purposes of determining whether a maritime Puget Sound regional prevailing wage rate for shipbuilding and ship repair should be established, the department of labor and industries shall collect data from Clallam, Jefferson, Kitsap, Mason, Thurston, Pierce, King, Snohomish, Skagit, Whatcom, Island, and San Juan counties and shall determine what a regional rate would be using the collective data from these counties calculated as follows:

(a) If the majority of hours reported is paid at the same wage rate, then that rate would be the prevailing wage rate if a maritime Puget Sound regional rate were established.

(b) If the same wage rate is not reported to have been paid for the majority of hours for the Puget Sound regional rate, then the average wage rate would be the prevailing wage rate based on a weighted average of the hours, wages, and benefits.

(2) The department shall report what the maritime Puget Sound regional prevailing wage rate for shipbuilding and ship repair would be to the appropriate committees of the legislature by December 1, 2018.

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