

SENATE BILL REPORT

SB 5491

As Reported by Senate Committee On:
Commerce, Labor & Sports
Labor & Commerce, January 15, 2018

Title: An act relating to the time period for workers to recover wages under prevailing wage laws.

Brief Description: Addressing the time period for workers to recover wages under prevailing wage laws.

Sponsors: Senators Hasegawa, King, Hobbs, Conway, Miloscia, Keiser, Takko, Warnick, Wellman, Hawkins, Chase, Darneille, Pedersen, Hunt and Saldaña.

Brief History:

Committee Activity: Commerce, Labor & Sports: 2/09/17.
Labor & Commerce: 1/11/18, 1/15/18 [DP, w/oRec].

Brief Summary of Bill

- Provides that the time period for the recovery of wages owed to a worker affected by a prevailing wage determination is tolled until the prevailing wage determination is final.

SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

Staff: Jarrett Sacks (786-7448)

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Hasegawa, Vice Chair; Conway, King, Kuderer and Saldaña.

Minority Report: That it be referred without recommendation.

Signed by Senators Braun and Wilson.

Staff: Jarrett Sacks (786-7448)

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.

Background: Contractors 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 for each county and occupation is established by the industrial statistician for the Department of Labor and Industries (L&I). The prevailing wage requirement applies to all public works of the state or any county, municipality, or political subdivision. Workers regularly employed by the state or any political subdivision are exempt from the prevailing wage requirements.

The industrial statistician issues determinations regarding the prevailing wage in response to requests by interested parties. These determinations may be sought to clarify how prevailing wage law applies to a specific project.

If an employer fails to pay a worker owed, the worker may file a wage complaint with L&I. L&I must investigate and if a violation is found, may order the employer to pay back pay and interest. L&I applies a three year statute of limitations for wages owed. As an alternative to filing a complaint with L&I, a worker may also file a private right of action for unpaid prevailing wages.

Summary of Bill: The time period to recover any wages affected by a prevailing wage determination is tolled until the determination is final.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Commerce, Labor & Sports): *Testimony from 2017 Regular Session.* PRO: This is a common sense bill that ensures a worker is able to recover wages regardless of how long a wage determination takes. Many workers choose to use an L&I determination because it is less adversarial, and this bill ensures they will not lose out on wages due to them.

Persons Testifying (Commerce, Labor & Sports): PRO: Senator Bob Hasegawa, Prime Sponsor; Neil Hartman, Washington State Building and Construction Trades Council.

Persons Signed In To Testify But Not Testifying (Commerce, Labor & Sports): No one.

Staff Summary of Public Testimony (Labor & Commerce): PRO: It is a simple, reasonable bill that stops the clock for workers to recover wages while a determination is made. Determinations are less contentious, so workers prefer to use it, however, determinations can take a long time. The bill will help reduce the underground economy.

CON: Contractors can get their intent to pay prevailing wage approved by L&I, only to have a determination vastly increase the costs of the project because of the determination.

Persons Testifying (Labor & Commerce): PRO: Senator Bob Hasegawa, Prime Sponsor; Neil Hartman, Washington State Building & Construction Trades Council.

CON: Gary Smith, Independent Business Association.

Persons Signed In To Testify But Not Testifying (Labor & Commerce): No one.