

SENATE BILL REPORT

SB 5494

As of February 8, 2017

Title: An act relating to improving compliance with prevailing wage procedures.

Brief Description: Improving compliance with prevailing wage procedures.

Sponsors: Senators Hasegawa, Miloscia, Hobbs, Takko, Wellman, Chase, Keiser, Darneille, Hunt and Saldaña.

Brief History:

Committee Activity: Commerce, Labor & Sports: 2/09/17.

Brief Summary of Bill

- Provides a civil penalty of \$500 for a contractor who fails to post a statement of intent to pay prevailing wages.
- Adds failure to post violation to sanctions as a strike for the purposes of prevailing wage debarment and disallowance of bidding for one year if there are multiple violations.

SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

Staff: Susan Jones (786-7404)

Background: Prevailing Rate of Wage. State law requires contractors to pay prevailing wages to laborers, workers, and mechanics employed on all public works contracts and public building service maintenance contracts. The prevailing wage is the hourly wage, usual benefits, and overtime paid in the largest city in the county to the majority of individuals in the same trade or occupation. The prevailing wage for each county and occupation is established by Department of Labor and Industries (L&I) industrial statistician. A worker who believes the worker's rights to prevailing wages have been violated may file a complaint with L&I, which then investigates and renders a decision.

Generally, prevailing wage provisions apply to contractors and subcontractors.

Statement of Intent to Pay Prevailing Wages and Other Mandatory Filings. Each contractor on a public works project must file with L&I a statement of intent to pay prevailing wages

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after a project is accepted but before work begins. In addition, when work is complete but before final acceptance by the awarding agency, the contractor must file an affidavit of wages paid. Contractors for public works or public building service maintenance contracts in excess of \$10,000 are required to post a statement of intent to pay prevailing wages at the job site. The posted statement must include the address and telephone number of the L&I industrial statistician, where a complaint or inquiry concerning prevailing wages may be made. In addition, the posting must list the labor classifications and wages used on the project.

Civil Penalties for Failure to Comply With Certain Prevailing Wage Laws. Contractors on a public works contract must pay a civil penalty of \$500 for each reporting and filing violation. For example, a civil penalty may be imposed for submitting false information or failing to file a statement of intent to pay prevailing wages or an affidavit of wages paid. However, the civil penalty does not apply to inadvertent filing or reporting errors. The fined contractor may not bid on any public works contract until the penalty is paid. A violation is known as a strike, and if a contractor or subcontractor is found to have committed a second violation of the filing or reporting requirements within a five year period, the contractor or subcontractor is disallowed to bid on any public works contract for one year. Civil penalties are deposited in the Public Works Administration account.

No civil penalty currently applies to violations of the requirements to post the statement of intent to pay prevailing wages.

Summary of Bill: Failure to post a statement of intent to pay prevailing wages is added to the violations where a \$500 civil penalty applies, which must be paid to be eligible to bid on any future public works contracts. The failure to post violation is added to the sanctions as a strike for purposes of disallowance of bidding for one year if there are multiple violations within a five year period.

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.