HOUSE BILL 1073

State of Washington 64th Legislature 2015 Regular Session

By Representatives Manweller, Condotta, and Magendanz

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AN ACT Relating to improving the accuracy of the prevailing rate of wage; amending RCW 39.12.026, 39.12.070, and 39.12.080; adding a new section to chapter 39.12 RCW; and prescribing penalties.

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

5 **Sec. 1.** RCW 39.12.026 and 2003 c 363 s 206 are each amended to 6 read as follows:

7 (((1))) In establishing the prevailing rate of wage under RCW 8 39.12.010, 39.12.015, and 39.12.020 $((\tau))$:

9 <u>(1) The department of labor and industries shall use a stratified</u> 10 random sampling methodology; and

11 (2) All data collected by the department may be used only in the 12 county for which the work was performed.

13 (((2) This section applies only to prevailing wage surveys
14 initiated on or after August 1, 2003.))

15 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 39.12 16 RCW to read as follows:

(1)(a) To conduct the stratified random sampling methodology as required under RCW 39.12.026, the department of labor and industries shall identify the contractors, employers, and labor unions eligible to receive wage surveys in specific trades or occupations. The 1 department shall send wage surveys to thirty percent of those 2 eligible survey recipients in each trade or occupation. The 3 department shall use a random method to select the recipients of the 4 survey in each trade or occupation.

5 (b) The prevailing rate of wage for a trade or occupation may be 6 established using a stratified random sampling methodology when the 7 department has received survey responses from twenty-five percent of 8 the recipients in that particular trade or occupation.

9 (2)(a) A recipient of a wage survey is required to respond to the 10 survey within ninety days of receiving the survey.

(b) If a recipient has not responded within ninety days, the department shall contact the recipient by telephone. If after thirty days of the first telephone call the recipient has still not responded, the department shall contact the recipient by telephone and notify the recipient that it must respond to the survey and will be subject to civil penalties if the recipient fails to respond.

(c) If the recipient fails to respond within fourteen business days of the department's second telephone call to the recipient, the department shall assess a civil penalty of five hundred dollars against the recipient.

(d) Civil penalties collected under this section are deposited inthe public works administration account.

23 **Sec. 3.** RCW 39.12.070 and 2014 c 148 s 1 are each amended to 24 read as follows:

(1) The department of labor and industries may charge fees to 25 awarding agencies on public works for the approval of statements of 26 27 intent to pay prevailing wages and the certification of affidavits of wages paid. The department may also charge fees to persons 28 or organizations requesting the arbitration of disputes under RCW 29 30 39.12.060. The amount of the fees shall be established by rules 31 adopted by the department under the procedures in the administrative procedure act, chapter 34.05 RCW. Except as provided in subsection 32 (3) of this section, the fees shall apply to all approvals, 33 certifications, and arbitration requests made after the effective 34 date of the rules. All fees shall be deposited in the public works 35 administration account. The department may refuse to arbitrate for 36 contractors, subcontractors, persons, or organizations which have not 37 38 paid the proper fees. The department may, if necessary, request the 39 attorney general to take legal action to collect delinguent fees.

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1 (2) The department shall set the fees permitted by this section 2 at a level that generates revenue that is as near as practicable to the amount of the appropriation to administer this chapter((τ)) 3 including, but not limited to, ((the performance of adequate wage 4 surveys)) collecting data to establish the prevailing rate of wage, 5 б and to investigate and enforce all alleged violations of this chapter((τ)) including, but not limited to, incorrect statements of 7 intent to pay prevailing wage, incorrect certificates of affidavits 8 of wages paid, and wage claims, as provided for in this chapter and 9 chapters 49.48 and 49.52 RCW. However, the fees charged for the 10 11 approval of statements of intent to pay prevailing wages and the 12 certification of affidavits of wages paid shall be forty dollars.

(3) If, at the time an individual or entity files an affidavit of wages paid, the individual or entity is exempt from the requirement to pay the prevailing rate of wage under RCW 39.12.020, the department of labor and industries may not charge a fee to certify the affidavit of wages paid.

18 Sec. 4. RCW 39.12.080 and 2006 c 230 s 2 are each amended to 19 read as follows:

20 The public works administration account is created in the state treasury. The department of labor and industries shall deposit in the 21 account all moneys received from fees or civil penalties collected 22 under RCW 39.12.050, 39.12.065, and 39.12.070. Appropriations from 23 24 the account may be made only for the purposes of administration of 25 this chapter, including, but not limited to, ((the performance of adequate wage surveys)) collecting data to establish the prevailing 26 27 rate of wage, and for the investigation and enforcement of all 28 alleged violations of this chapter as provided for in this chapter 29 and chapters 49.48 and 49.52 RCW.

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