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**Labor & Workplace Standards  
Committee**

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**HB 2742**

**Brief Description:** Establishing maritime Puget Sound regional prevailing wages.

**Sponsors:** Representatives Doglio, Tarleton, Fey, Appleton, Bergquist and Tharinger.

**Brief Summary of Bill**

- Requires the Department of Labor and Industries to establish a regional prevailing wage rate for the Puget Sound region for the shipbuilding and ship repair trade, using data collected from twelve counties.
- Requires the Department of Labor and Industries to conduct wage surveys of the shipbuilding and ship repair trade on a biennial basis.

**Hearing Date:** 1/22/18

**Staff:** Trudes Tango (786-7384).

**Background:**

State law requires that prevailing wages be paid to laborers, workers, and mechanics employed upon all public works and under all public building service maintenance contracts. Public work means all work, construction, alteration, repair, or improvement other than ordinary maintenance that is executed at the cost of the state or any municipality.

The prevailing wage is the hourly wage, usual benefits, and overtime paid in the largest city in each county, to the majority of workers, laborers, or mechanics in the same trade or occupation. If there is not a majority in the same trade or occupation paid at the same rate, then an average wage is calculated and established as the prevailing wage.

To establish the prevailing wage for the various trades and occupations, the industrial statistician of the Department of Labor and Industries (Department) conducts wage surveys. Surveys are

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sent to businesses that employ workers within the trade or occupation being surveyed and labor unions representing workers in those trades and occupations. All data collected by the Department may be used only in the county for which the work was performed.

The Department is currently surveying the shipbuilding and ship repair trade. Surveys were sent in December 2017 and surveys must be submitted back to the Department no later than March 2, 2018.

The Department's working definition of shipbuilding and ship repair is the building and repairing of steel vessels, such as ferries, barges or other similar vessels. Work may be performed in a shipyard, shop or dry-dock. Sub-classifications of the trade include boilermaker, sheet metal worker, carpenter, painter, machinist, pipefitter, laborer, electrician, crane operator, powerhouse, and truck driver.

**Summary of Bill:**

For the shipbuilding and ship repair prevailing wage rate, all data collected by the Department of Labor and Industries (Department) from 12 counties must be used to establish the maritime Puget Sound regional rate, using the collective data. The 12 counties are Clallam, Jefferson, Kitsap, Mason, Thurston, Pierce, King, Snohomish, Skagit, Whatcom, Island, and San Juan.

The Department must calculate the data as follows:

- If the majority of hours reported is paid at the same wage rate, then that rate shall be established as the prevailing wage rate;
- If the same wage rate is not reported to have been paid for the majority of hours, then the average wage rate shall be established as the prevailing wage rate based on a weighted average of the hours, wages, and benefits.

For any newly established rates for the trade established prior to the effective date of the act, the survey data will be recalculated in accordance with the new regional rate calculations and republished in the next semiannual wage publication.

Beginning on the effective date of the act, the shipbuilding and ship repair rates must be surveyed and recalculated on a biennial basis.

**Appropriation:** None.

**Fiscal Note:** Requested on January 16, 2018.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.