

# HOUSE BILL REPORT

## HB 1776

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**As Reported by House Committee On:**  
Labor & Workplace Standards

**Title:** An act relating to wages for journeypersons in high-hazard facilities.

**Brief Description:** Concerning wages for journeypersons in high-hazard facilities.

**Sponsors:** Representatives Sells, Berry, Eslick, Ortiz-Self, Simmons, Valdez, Pollet, Ormsby, Harris-Talley and Bronoske.

**Brief History:**

**Committee Activity:**

Labor & Workplace Standards: 1/12/22, 1/28/22 [DP].

**Brief Summary of Bill**

- Requires at least the prevailing wage rate for certain workers in petroleum refining or petrochemical manufacturing.

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### HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

**Majority Report:** Do pass. Signed by 4 members: Representatives Sells, Chair; Berry, Vice Chair; Bronoske and Ortiz-Self.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Hoff, Ranking Minority Member; Mosbrucker, Assistant Ranking Minority Member; Harris.

**Staff:** Lily Smith (786-7175).

**Background:**

High-hazard Facility Work.

An owner or operator of a stationary source that is engaged in petroleum refining or

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petrochemical manufacturing, when contracting for the construction, alteration, installation, repair, or maintenance of the stationary source, must require its contractors and subcontractors to use a skilled and trained workforce to perform onsite work in an occupation with an approved apprenticeship program. A skilled and trained workforce means all the workers are either registered apprentices or skilled journeypersons.

A skilled journeyperson means the worker:

- has either graduated from an apprenticeship program for the applicable occupation or has at least as many hours of on-the-job experience as would be required to graduate; and
- is being paid at least a rate commensurate with the wages typically paid for the occupation in the applicable geographic area. However, a worker may not be paid less than a rate consistent with the seventy-fifth percentile in the applicable occupation and geographic area in the most recent occupational employment statistics published by the Employment Security Department. The prevailing wage rate may be used but a contractor is not required to pay prevailing wage rates.

Prevailing Wage.

The prevailing wage is the wage paid on public works in each trade or occupation and is established by the industrial statistician at the Department of Labor and Industries under standards in law.

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**Summary of Bill:**

Beginning January 1, 2024, a skilled journeyperson working on stationary sources in petroleum refining or petrochemical manufacturing must be paid at least a rate consistent with the prevailing wage rate in that occupation and area.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect on January 1, 2024.

**Staff Summary of Public Testimony:**

(In support) The prevailing wage system is a more current reflection of the market and is more focused on construction and other work relevant to refinery operations, while the employment statistics from ESD use averages, are older, and do not have scopes of work that match real world standards. Using the prevailing wage system would clarify the wage standard and benefit both the union and nonunion workforce. The Legislature has already

decided to adopt a wage benchmark for this industry, so the question now is just which benchmark is best. The prevailing wage system is well established, whereas the wage benchmark for this industry in current law was predicted not to work well when it passed. The health of the community and the safety of the workforce would be increased by using the prevailing wage system, which would be consistent with the intent of the current law. The bill will also resolve issues around wages in apprenticeships.

(Opposed) Workers in Washington refineries are already highly paid and well treated. There are no issues with the current wage standard. Using the prevailing wage system would increase costs and effect jobs and the ability to attract capital. These impacts would be felt most in working class families, for whom these jobs provide significant opportunity. This change would also impact investments in maintenance and safety and have environmental impacts. There is no precedent for requiring prevailing wages or otherwise legislating wages in private employment, and this could be a slippery slope to expansion of governmental control in the private sector. Prevailing wages are used by the state as a market participant and are inappropriate for the state to use in a regulatory role. The Legislature would also be usurping federal jurisdiction in this area. This change would minimize the opportunity of nonunion shops to work in refineries. Actual refinery work is unlikely to match the prevailing wage scopes of work. Refinery work often involves workers skilled in multiple crafts, and this bill would create jurisdictional boundary issues between scopes of work in these trades.

(Other) None.

**Persons Testifying:** (In support) Representative Mike Sells, prime sponsor; Mark Riker, Washington State Building and Construction Trades Council; Luke Esser and Tracey Eixenberger, Boilermakers; and Todd Mitchell, Heat and Frost Insulators and Allied Workers Local 7.

(Opposed) Greg Hanon, Western States Petroleum Association; Tom Wolf, bp America; Ryan Likkel, Western Refinery Services; Jerry VanderWood, Associated General Contractors of Washington; Van Collins, Washington Construction Industry Council; Bob Battles, Association of Washington Business; Derek Bronson; Rhett Dixon, Brinderson; Brian Bishop; and Matt Krumdiack.

(Other) None.

**Persons Signed In To Testify But Not Testifying:** Tammy Fellin, Department of Labor and Industries.