

HOUSE BILL REPORT

HB 1173

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 Bronoske, Berry, Reed, Ramel, Obras, Fosse, Simmons, Ortiz-Self, Goodman, Gregerson, Pollet, Nance, Ormsby, Lekanoff and Hill.

Brief History:

Committee Activity:

Labor & Workplace Standards: 1/15/25, 1/22/25 [DP].

Brief Summary of Bill

- Requires certain building and construction workers working for contractors and subcontractors at petroleum refining and petrochemical manufacturing facilities to be paid at least the prevailing wage.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: Do pass. Signed by 6 members: Representatives Berry, Chair; Fosse, Vice Chair; Scott, Vice Chair; Bronoske, Obras and Ortiz-Self.

Minority Report: Do not pass. Signed by 1 member: Representative Schmidt, Ranking Minority Member.

Minority Report: Without recommendation. Signed by 2 members: Representatives Ybarra, Assistant Ranking Minority Member; McEntire.

Staff: Kelly Leonard (786-7147).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Workers at High Hazard Facilities.

Owners and operators of petroleum refineries and petrochemical manufacturing facilities must ensure contractors and subcontractors use "a skilled and trained workforce" for performing any construction, alteration, installation, repair, or maintenance, if that work is in an occupation for which an apprenticeship program has been approved by the Washington State Apprenticeship Training Council (WSATC). A "skilled and trained workforce" means all the workers are either registered apprentices or skilled journeypersons meeting certain requirements.

At least 60 percent of the skilled journeypersons must be graduates of an apprenticeship program approved by the WSATC. The remaining skilled journeypersons need not have completed an apprenticeship program, so long as they have comparable on-the-job experience that would be required to graduate from an apprenticeship program. Skilled journeypersons must be paid at least a rate commensurate with the wages typically paid for the occupation in the applicable geographic area, which may not be less than an hourly 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. While a contractor may use the prevailing wage as a basis for determining wages, they are not required to do so.

Prevailing Wage.

The Washington State Prevailing Wages on Public Works Act, also known as the "Prevailing Wage Law," requires building and construction workers to be paid prevailing wages when employed on public works projects. Public works projects generally include any construction, alteration, repair, or improvement (other than ordinary maintenance) executed at the cost of the state or of any municipality.

The prevailing wage is established by the industrial statistician at the Department of Labor and Industries. It is calculated based on 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.

Summary of Bill:

A skilled journeyperson in a building or construction trade working for a petroleum refining or petrochemical manufacturing contractor or subcontractor must be paid at least a rate consistent with the prevailing wage in the applicable occupation and geographic area.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on January 1, 2026.

Staff Summary of Public Testimony:

(In support) This bill addresses appropriate wages for certain workers at high hazard facilities. The prevailing wage makes more sense than the current requirement, which is based on the occupational employment statistics published by the Employment Security Department and US Department of Labor. This standard has proved to be unworkable because it is based on a federal analysis, rather a state analysis. It has been unstable, with significant increases and decreases from year to year. This bill should be viewed as a technical fix to an existing wage requirement. The prevailing wage will be more fair and equitable, and it will also be more stable and predictable.

(Opposed) This is not a technical fix. These workers are already high wage earners, and there has not been an issue with implementing or enforcing the current standard. There is no policy reason for the state to set wages for an already highly paid workforce. The prevailing wage is not appropriate because it is designed for public works projects, not private industry. There is no precedent for requiring prevailing wages for private contracts. This bill would depart from longstanding practices. This bill is bad for the economy, industry, and workers.

Persons Testifying: (In support) Representative Dan Bronoske, prime sponsor; Erin Frasier, Washington State Building and Construction Trades Council; Todd Mitchell, Heat and Frost Local 7; and Mallorie Davies, Washington and Northern Idaho District Council of Laborers.

(Opposed) Rick Stumph and Cary Clemenson, InServ PNW LLC; and Greg Hanon, Western States Petroleum Association.

Persons Signed In To Testify But Not Testifying: Zach McCown, WSRCC; James Johnson; Haley Sacha; Kiera McMillen; Brandon Santiago; Karen Miller, bp America—Cherry Point Refinery; Lindsey Hueer, Association of Washington Business; Frank Capristo, Matrix Services; Ryan Likkell, Western Refinery Services; Christine Brewer, Associated General Contractors of Washington; and Brian Kohrs.