

HOUSE BILL REPORT

HB 1821

As Reported by House Committee On:
Labor & Workplace Standards

Title: An act relating to expanding the definition of "interested party" for the purposes of prevailing wage laws.

Brief Description: Expanding the definition of "interested party" for the purposes of prevailing wage laws.

Sponsors: Representatives Cortes, Stonier, Doglio, Berry, Parshley, Street, Obras, Ormsby, Macri, Fosse, Scott and Pollet.

Brief History:

Committee Activity:

Labor & Workplace Standards: 2/12/25, 2/19/25 [DPS].

Brief Summary of Substitute Bill

- Requires an employer's certified payroll records to be provided to an "interested party" for purposes of enforcing prevailing wage requirements.
- Expands the definition of "interested party" to include joint labor-management cooperation committees and Taft-Hartley trusts.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: The substitute bill be substituted therefor and the substitute bill 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 3 members: Representatives Schmidt, Ranking Minority Member; Ybarra, Assistant Ranking Minority Member; McEntire.

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.

Staff: Jim Morishima (786-7191).

Background:

Prevailing Wage.

Workers on public works projects and public building service maintenance contracts must be paid the prevailing wage by their employer. The Department of Labor and Industries (L&I) must investigate alleged violations of this requirement made by interested parties. Interested parties are able to request and receive certified payroll records from contractors on public works projects. "Interested parties" include contractors, subcontractors, employees of contractors or subcontractors, organizations whose members are affected by prevailing wage requirements, and the Director of L&I or designee.

Joint Labor-Management Cooperation Committees and Taft-Hartley Trusts.

A joint labor-management cooperation committee is an entity established under federal law that includes representatives of both labor and management. The purpose of a joint labor-management cooperation committee is to provide a mechanism through which labor and management may jointly address workplace concerns.

A Taft-Hartley trust is a multi-employer trust created by a collective bargaining agreement. The purpose of such a trust is to provide benefits to union members, including retirement benefits and health benefits.

Summary of Substitute Bill:

The definition of "interested party" is expanded to include a joint labor-management cooperation committee and a Taft-Hartley trust.

The Department of Labor and Industries must provide, upon request, a copy of an employer's certified payroll records to an interested party. Records provided to a joint labor-management cooperation committee may only be used to file complaints under the prevailing wage law and may not be used for any other purpose, including union organizing or commercial activity.

Substitute Bill Compared to Original Bill:

The substitute bill:

- changes the records that must be disclosed from an employee's records, to an employer's certified payroll records;
- removes the requirement that the records be redacted except to protect the employee's social security number;

- allows records provided to a joint labor-management cooperation committee to be used only for filing complaints under the prevailing wage law; and
 - prohibits records provided to a joint labor-management cooperation committee from being used for any other purpose, including union organizing or commercial activity.
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Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains multiple effective dates. Please see the bill.

Staff Summary of Public Testimony:

(In support) This bill strengthens prevailing wage protections for workers. Wage classification issues can be a problem, especially with dishonest contractors. Such contractors exploit loopholes at the expense of hard-working employees. This leads to responsible contractors being undercut. Workers do not have the resources to enforce their rights themselves. Worker rights need to be enforced without the fear of retaliation. The records addressed by this bill are critical to ensuring contractors are engaging in sound behavior. Enforcing the prevailing wage law is leading to modified practices by contractors and levelling the playing field. This bill does not give joint labor-management cooperation committees more access than any other interested party.

(Opposed) The goals of paying proper wages and stopping bad actors are laudable. However, employers are also part of the joint labor-management cooperation committees and are not asking for these changes. The redaction language in this bill does not make sense because the records are already redacted more extensively than the bill requires. Employers are subjected to audits and reviews regularly. Providing these records would be a violation of trust. Not all employees want these records disclosed. The disclosure may lead to privacy violations.

Persons Testifying: (In support) Representative Julio Cortes, prime sponsor; Patricia McCarron, Carpenters and Contractors Cooperation Committee; and Boris Gresely.

(Opposed) Jerry VanderWood, AGC of Washington; and Brandon Houskeeper, Southwest WA Contractors Assoc. and Associated Builders and Contractors - Western WA.

Persons Signed In To Testify But Not Testifying: None.