

# SENATE BILL REPORT

## SHB 1821

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As of March 17, 2025

**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:** House Committee on Labor & Workplace Standards (originally sponsored by Representatives Cortes, Stonier, Doglio, Berry, Parshley, Street, Obras, Ormsby, Macri, Fosse, Scott and Pollet).

**Brief History:** Passed House: 3/7/25, 59-38.

**Committee Activity:** Labor & Commerce: 3/17/25.

### Brief Summary of Bill

- Requires the Department of Labor and Industries to provide, upon request, a copy of an employer's certified payroll records to an interested party.
- Expands the definition of interested party to include Joint Labor Management Cooperation Committees and Taft-Hartley trusts.

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### SENATE COMMITTEE ON LABOR & COMMERCE

**Staff:** Marlon Llanes (786-7423)

**Background:** Prevailing Wage Requirements. State law requires employers to pay prevailing wages to laborers, workers, and mechanics employed on all public works projects. The prevailing wage is the hourly wage, usual benefits, and overtime paid in the largest city in the county to the majority of individuals in the same trade or occupation.

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*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.*

If an interested party files a complaint with the Department of Labor and Industries (L&I) alleging a violation of this requirement, L&I must investigate and determine whether the violation occurred. 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. Under L&I rules, interested parties are able to request certified payroll records from contractors on public works projects.

Each contractor, subcontractor, or employer is required to keep accurate payroll records for three years from the date of acceptance of the public works project by the contract awarding agency. The payroll records must include, among other things, the net wages paid for each worker.

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 a Taft-Hartley trust is to provide benefits to union members, including retirement benefits and health benefits.

**Summary of Bill:** The definition of interested party is expanded to include a Joint Labor Management Cooperation Committee and a Taft-Hartley trust.

L&I is required to 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 specified law relating to wage complaints and may not be used for any other purpose, including union organizing or commercial activity.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Wage theft is a persistent problem in the construction industry. This bill would give workers the tools they need to identify violations and work with enforcement agencies to hold bad actors accountable. This ensures a more level playing field and promotes ethical business practices. Joint labor management committees ensure wage requirement compliance by monitoring job sites and

requesting payroll records. This bill is not giving interested parties more or less power.

CON: There are concerns about how the information will be used and why these parties are being listed as interested parties. Not all employers are represented by joint labor management committees. Joint labor management committees could access payroll records without having a direct relationship to the employees or employer. These parties can likely access payroll records through other means.

**Persons Testifying:** PRO: Representative Julio Cortes, Prime Sponsor; Boris Gresely.

CON: Brandon Houskeeper, Associated Builders & Contractors - Western WA / Southwest WA Contractors Assoc.; Carolyn Logue, Associated Builders & Contractors Inland Pacific Chapter; Michael Transue, Mechanical Contractors Association of Western Washington.

**Persons Signed In To Testify But Not Testifying:** No one.