

HOUSE BILL REPORT

HB 1246

*As Reported By House Committee on:
Commerce & Labor*

Title: An act relating to prevailing wages on public works projects.

Brief Description: Enforcing the payment of prevailing wages.

Sponsor(s): Representatives R. King, Winsley, Jones, Ebersole, Prentice, O'Brien, R. Meyers, Scott and Phillips.

Brief History:

Reported by House Committee on:
Commerce & Labor, February 15, 1991, DPA.

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *Do pass as amended.* Signed by 9 members: Representatives Heavey, Chair; Cole, Vice Chair; Franklin; Jones; R. King; O'Brien; Prentice; Vance; and Wilson.

Minority Report: *Do not pass.* Signed by 2 members: Representatives Fuhrman, Ranking Minority Member; and Lisk, Assistant Ranking Minority Member.

Staff: Chris Cordes (786-7117).

Background: The state prevailing wage law requires prevailing wages to be paid to employees on public works construction projects. All public works contracts must contain a provision requiring the payment of prevailing wages. Before an agency may disburse any payment on a public works contract, the contractor and subcontractors are required to submit a "statement of intent to pay prevailing wages." When the agency finally accepts the project, an "affidavit of wages paid" must be submitted before the agency may release the final payments.

An agency that willfully fails to comply with the prevailing wage requirements is liable for any wages due to the project's employees under the prevailing wage law.

Summary of Amended Bill: The Legislature declares that there is a need to assure that public agencies carry out

their responsibilities under the prevailing wage law and that an enforceable standard of compliance is established.

The requirement is deleted that an agency violation of the prevailing wage law must be willful. An agency is liable for worker wages if the agency knowingly fails to comply with the prevailing wage law.

Amended Bill Compared to Original Bill: The amendment adds the requirement that an agency's violation of the prevailing wage law must be a "knowing" violation to be subject to penalties.

Fiscal Note: Not requested.

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

Testimony For: Agencies are rarely penalized for inadequate supervision of their prevailing wage contracts because the failure must be "willful" to be a violation. This standard makes the law virtually unenforceable.

Testimony Against: None.

Witnesses: Cindy Zehnder, Teamsters; Duke Schaub, Associated General Contractors; Bob Dilger, Washington State Building and Construction Trades Council; and Otto Herman, Rebound.