

HOUSE BILL REPORT

SSB 5383

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

Title: An act relating to procedures for approving statements of intent to pay prevailing wages; for certifying affidavits of wages paid; for collection of wages owed, including penalties for noncompliance; for public works projects of two thousand five hundred dollars or less.

Brief Description: Regarding the administration of prevailing wages.

Sponsor(s): Senate Committee on Commerce & Labor (originally sponsored by Senators Hansen, Snyder, Matson, Barr and Skratek).

Brief History:

Reported by House Committee on:
Commerce & Labor, March 28, 1991, DP.

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *Do pass.* Signed by 11 members: Representatives Heavey, Chair; Cole, Vice Chair; Fuhrman, Ranking Minority Member; Lisk, Assistant Ranking Minority Member; Franklin; Jones; R. King; O'Brien; Prentice; Vance; and Wilson.

Staff: Chris Cordes (786-7117).

Background: Contractors and subcontractors on public works projects must comply with the state prevailing wage law. Before payment can be made on any public works contract, the contractor and subcontractors must have a statement of intent to pay prevailing wages approved by the Department of Labor and Industries. The statement is then submitted to the agency awarding the public works contract.

Following final acceptance of the project, the contractor and subcontractors must complete an affidavit of wages paid before any retained funds may be released. The affidavit must be approved by the Department of Labor and Industries and submitted to the awarding agency.

Summary of Bill: For public works projects of \$2,500 or less, an alternative procedure is established for submitting the required contractor statements on prevailing wage projects. If authorized by the awarding agency, the contractor or subcontractor may submit the statement of intent to pay prevailing wages directly to the agency, without prior approval of the Department of Labor and Industries. The agency must retain the statements for at least three years.

Upon final acceptance of the public works project, the contractor or subcontractor must submit an affidavit of wages paid to the awarding agency. Upon receipt of the affidavit, the awarding agency may pay the contractor or subcontractor in full, including retainage. Within 30 days of receipt, the awarding agency must submit the affidavit to the department for approval.

Statements of intent and affidavits of wages paid must be on forms approved by the department.

If the awarding agency has used the alternative procedures and the department finds that a claimant is owed wages, the awarding agency must pay the wages due directly to the claimant. The awarding agency may then seek reimbursement from the contractor who failed to pay the wages as stated in the affidavit of wages paid. The contractor may be prohibited from bidding on the agency's public works contracts for up to one year.

The alternative procedures may not be interpreted to allow an awarding agency to subdivide public works contracts of more than \$2,500 to circumvent the statement filing procedures required for larger projects.

Fiscal Note: Available.

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

Testimony For: Small ports have had difficulty getting contractors to bid on small public works projects because of the required paperwork and the probability of slow payment. This bill is intended to streamline the process to address these concerns while ensuring that all the safeguards in current law are maintained.

Testimony Against: None.

Witnesses: Scott Taylor, Washington Public Ports Association; and Mark McDermott, Department of Labor and Industries.