

SENATE BILL REPORT

SB 5246

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE,  
FEBRUARY 3, 1993

**Brief Description:** Creating the public works administration account.

**SPONSORS:** Senators Snyder, Winsley, Rinehart, Gaspard, Prentice, Moore, Hargrove, Roach, Loveland, Jesernig, Vognild, Sutherland, von Reichbauer, Bauer, Quigley and Erwin

**SENATE COMMITTEE ON LABOR & COMMERCE**

**Majority Report:** That Substitute Senate Bill No. 5246 be substituted therefor, and the substitute bill do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Fraser, McAuliffe, Newhouse, Prince, Sutherland, and Vognild.

**Staff:** Jonathan Seib (786-7427)

**Hearing Dates:** January 26, 1993; February 3, 1993

**BACKGROUND:**

Under the prevailing wage law, the Department of Labor and Industries charges agencies which award public works contracts fees for the approval of statements of intent to pay prevailing wages and the certification of wages paid. The department also charges fees of persons or organizations requesting the arbitration of disputes under the prevailing wage act. The fee level is set by rule to cover the cost of the approval process and arbitration. All fees are deposited in the general fund.

**SUMMARY:**

The public works administration account is created. All fees collected under the prevailing wage law are to be deposited into this account. Thirty percent of the revenue collected is to be transferred to the general fund on a quarterly basis. The remaining funds may be disbursed, without an appropriation, at the discretion of the Director of the Department of Labor and Industries for administration and enforcement of the prevailing wage law.

The fees charged are to be set by rule at a level that generates revenue sufficient to administer and enforce the prevailing wage law.

**EFFECT OF PROPOSED SUBSTITUTE:**

The public works administration account is created. All fees collected under the prevailing wage law are to be deposited into this account. Thirty percent of the revenue collected is to be transferred to the general fund on a quarterly basis. The moneys left in the account may only be appropriated for administration and investigation of the prevailing wage law, including doing adequate wage surveys.

The fees charged are to be set by rule at a level that generates revenue as near as practicable to the amount of the appropriation made from the account. At no time is the fee charged for either the approval of a statement of intent to pay prevailing wage or for the certification of an affidavit of wages paid to be greater than \$25.

**Appropriation:** none

**Revenue:** yes

**Fiscal Note:** available

**Effective Date:** The bill contains an emergency clause and takes effect July 1, 1993.

**TESTIMONY FOR:**

The Department of Labor and Industries' ability to enforce the prevailing wage law is extremely inadequate, resulting primarily from a lack of resources. Without adequate enforcement, contractors do not operate on a level playing field. A dedicated, nonappropriated account will allow the department to raise and spend funds as needed to properly enforce the prevailing wage law.

**TESTIMONY AGAINST:**

The prevailing wage law should be enforced. There is no indication, however, that violations of it are widespread. The bill as written leaves too much discretion with the department.

**TESTIFIED:** Otto Herman, Jr., Rebound (pro); Bob Dilger, Washington State Building and Construction Trades Council (pro); Bill Blackstock, Washington State Conference of Mason Contractors (pro); Nickie Moran, Department of Labor and Industries; Larry Stevens, United Subcontractors Association (pro); Duke Schaub, Associated General Contractors; Dick Ducharme, Utility Contractors Association; Gary Smith, Independent Business Association; John Rowand, Northwest Fair Contracting Association