

# SENATE BILL REPORT

## HB 1138

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As Reported By Senate Committee On:  
Labor, Commerce & Financial Institutions, March 27, 2001

**Title:** An act relating to prevailing wage civil penalties.

**Brief Description:** Depositing wage fines in the public works administration account.

**Sponsors:** By Representatives Cairnes, Conway, Campbell, Dunshee, O'Brien, Cooper, Simpson, Roach, Kenney, D. Schmidt, Kirby and Keiser.

**Brief History:**

**Committee Activity:** Labor, Commerce & Financial Institutions: 3/26/01, 3/27/01 [DP].

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### SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Gardner, Vice Chair; Hochstatter, Rasmussen, Regala, West and Winsley.

**Staff:** Jack Brummel (786-7428)

**Background:** The Department of Labor and Industries administers and enforces the state prevailing wage law, charging contractors and subcontractors fees for approving statements of intent, certifying affidavits of wages paid, and arbitrating prevailing wage disputes. The fees must be set at a level that generates revenue "as near as practicable" to the amount of the appropriation made to carry out these activities. The fees for approving statements of intent and certifying affidavits may not exceed \$25. The fees for arbitrating disputes are not limited. All fees are deposited in the public works administration account.

The department also assesses civil penalties against contractors and subcontractors for filing false statements of intent, failing to file statements of intent, or failing to pay prevailing wages. The civil penalty for filing a false statement or failing to file is \$500. The civil penalty for failing to pay prevailing wages is \$1,000, or 20 percent of the total prevailing wage violation, whichever is greater. All civil penalties are deposited in the general fund.

Each quarter, an amount equaling 30 percent of the revenues received into the public works administration account is transferred into the state general fund. Except for money transferred into the general fund, the money in the public works administration account may be appropriated only to administer the state prevailing wage law.

**Summary of Bill:** Civil penalties for prevailing wage law violations are deposited in the public works administration account, rather than the general fund.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This bill operates with SB 5992 to make more money available for the administration of the state prevailing wage law.

**Testimony Against:** None.

**Testified:** Rick Slunaker, AGC.