
HOUSE BILL 1118

State of Washington

60th Legislature

2007 Regular Session

By Representatives Miloscia, Chase, Hasegawa, Cody, Moeller, Dunshee, Sells, McCoy, Darneille, Green, Pettigrew, Santos, Roberts, Appleton, Ormsby, Dickerson, Morrell, Conway, Kenney and Simpson

Read first time 01/10/2007. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to providing living wages on public contracts;
2 adding a new section to chapter 43.19 RCW; adding a new section to
3 chapter 47.28 RCW; and adding a new chapter to Title 39 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that the state
6 annually awards contracts to private contractors and vendors, and that
7 such expenditures should be spent in a manner that promotes the
8 creation of jobs that allow residents to support themselves and their
9 families with dignity. The legislature further finds that the present
10 federal and state minimum wages generate income at a level below the
11 amount required to support a family at a basic level and that jobs that
12 do not pay living wages result in families who have greater need of
13 social services provided by the state and paid for by state taxpayers.
14 The payment of adequate wages to workers employed by private
15 contractors and vendors that contract with the state will promote
16 stability and reduced turnover, resulting in a higher quality of
17 service.

1 NEW SECTION. **Sec. 2.** The definitions in this section apply
2 throughout this chapter unless the context clearly requires otherwise.

3 (1) "Contract" means public works contracts, personal services
4 contracts, and purchasing contracts for goods and services.

5 (2) "Contractor" means any person, firm, or corporation that, in
6 the pursuit of an independent business, undertakes a contract with the
7 state.

8 (3) "Department" means the department of labor and industries.

9 (4) "Director" means the director of the department of labor and
10 industries.

11 (5) "Employee" has the meaning set forth in RCW 49.46.010. In
12 addition to the individuals excluded under RCW 49.46.010, "employee"
13 does not include an individual:

14 (a) Seventeen years old or younger;

15 (b) In a position that is designated for a trainee, apprentice, or
16 is otherwise part of a training program;

17 (c) In a work study position, internship, or who is in a position
18 that requires student status as a prerequisite to being employed in
19 that position; and

20 (d) Subject to a bona fide collective bargaining agreement.

21 (6) "Subcontractor" means any person, firm, or corporation that, in
22 the pursuit of an independent business, undertakes a contract with
23 another person, firm, or corporation who holds a contract with the
24 state.

25 NEW SECTION. **Sec. 3.** (1) All contractors and subcontractors
26 covered under this chapter shall pay employees a living wage no less
27 than eight dollars per hour if health benefits are paid for in whole or
28 in substantial part by the employer, or nine dollars and fifty cents
29 per hour if health benefits are not so provided.

30 (2)(a) Beginning January 1, 2008, and each following January 1st as
31 set forth under (b) of this subsection, every contractor and
32 subcontractor shall pay each of his or her employees at a rate of not
33 less than the amount established under (b) of this subsection.

34 (b) Beginning September 30, 2007, and on each following September
35 30th, the department shall calculate an adjusted living wage rate as
36 specified under this subsection (2)(b). Each adjusted living wage rate

1 shall be calculated to the nearest cent, and shall take effect on the
2 following January 1st.

3 (i) If the per capita personal income for the prior calendar year
4 for Washington is equal to or greater than the per capita personal
5 income for the prior calendar year for the United States, the adjusted
6 living wage rate shall be calculated using the sum of:

7 (A) The percentage increase in the consumer price index for urban
8 wage earners and clerical workers, CPI-W, or a successor index, for the
9 twelve months prior to each September 1st as calculated by the United
10 States department of labor; and

11 (B) The average annual percentage increase in per capita personal
12 income for the prior two calendar years as calculated by the United
13 States department of commerce bureau of economic analysis.

14 (ii) If the per capita personal income for the prior calendar year
15 for Washington is less than the per capita personal income for the
16 prior calendar year for the United States, the adjusted living wage
17 rate shall be calculated to the nearest cent using the percentage
18 increase in the consumer price index for urban wage earners and
19 clerical workers, CPI-W, or a successor index, for the twelve months
20 prior to each September 1st as calculated by the United States
21 department of labor.

22 NEW SECTION. **Sec. 4.** (1) In circumstances where a contract also
23 requires the contractor or subcontractor to pay its employees
24 prevailing wages, the contractor or subcontractor shall pay its
25 employees at the contractually prescribed prevailing wage rate or the
26 minimum living wage payable under this chapter, whichever is higher.

27 (2) The contractor or subcontractor also shall pay its employees at
28 the minimum wage rate under chapter 49.46 RCW or the minimum living
29 wage payable under this chapter, whichever is higher.

30 NEW SECTION. **Sec. 5.** No contractor or subcontractor shall
31 retaliate or discriminate against an employee in his or her terms and
32 conditions of employment for:

- 33 (1) Reporting a possible violation of this chapter to the director;
- 34 (2) Participating in any legal or administrative proceeding in
35 respect to this chapter;

- 1 (3) Seeking civil remedies to enforce his or her rights conferred
- 2 by this chapter; or
- 3 (4) Otherwise asserting his or her rights under this chapter.

4 NEW SECTION. **Sec. 6.** (1) An employee claiming a violation of this

5 chapter may report the violation to the director.

6 (2) The department has the same administrative and enforcement

7 powers as identified in chapter 49.48 RCW.

8 NEW SECTION. **Sec. 7.** (1) Compliance with this chapter is required

9 in all state contracts to which it applies. Upon award of a contract

10 covered by this chapter, the contractor must certify that he or she

11 will comply, and will require all subcontractors to comply, with the

12 requirements of this chapter.

13 (2) Such contracts shall provide that upon a violation of this

14 chapter, a contractor or subcontractor who is out of compliance for the

15 first time has thirty days to come into compliance including the

16 payment of any back wages required. If the contractor or subcontractor

17 remains out of compliance after thirty days, the state may terminate

18 the contract and otherwise pursue contractual remedies for breach of

19 contract. The contractor or subcontractor may appeal the finding of

20 the department made under this section in accordance with the

21 administrative procedure act, chapter 34.05 RCW.

22 (3) Within ten days of a request by the state, the contractor or

23 subcontractor shall provide satisfactory proof of compliance with the

24 living wage provisions of this chapter in the form of payroll records,

25 benefit records, or other appropriate evidence.

26 (4) If the state finds that a contractor or subcontractor has

27 violated this chapter a second time, the state may terminate all

28 contracts with the contractor or subcontractor, and the contractor or

29 subcontractor shall be prohibited from contracting with the state for

30 a period of two years.

31 NEW SECTION. **Sec. 8.** Nothing contained in this chapter may be

32 construed to limit in any way the remedies, legal or equitable, that

33 are available for violations of this chapter.

1 NEW SECTION. **Sec. 9.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 10.** (1) The living wage requirement imposed by
6 this chapter applies to all contracts and related subcontracts entered
7 into, renewed, or extended by either the department of community,
8 trade, and economic development or the department of social and health
9 services on or after January 1, 2008.

10 (2) This act does not apply to any contracts entered into before
11 January 1, 2008.

12 NEW SECTION. **Sec. 11.** A new section is added to chapter 43.19 RCW
13 to read as follows:

14 All contracts entered into under this chapter by either the
15 department of community, trade, and economic development or the
16 department of social and health services on or after January 1, 2008,
17 are subject to the requirements established under chapter 39.-- RCW
18 (sections 1 through 10 of this act).

19 NEW SECTION. **Sec. 12.** A new section is added to chapter 47.28 RCW
20 to read as follows:

21 All contracts entered into under this chapter by either the
22 department of community, trade, and economic development or the
23 department of social and health services on or after January 1, 2008,
24 are subject to the requirements established under chapter 39.-- RCW
25 (sections 1 through 10 of this act).

26 NEW SECTION. **Sec. 13.** Sections 1 through 10 of this act
27 constitute a new chapter in Title 39 RCW.

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