

SENATE BILL REPORT

ESHB 2669

As of February 15, 2012

Title: An act relating to enforcing the payment of prevailing wages.

Brief Description: Enforcing the payment of prevailing wages.

Sponsors: House Committee on Labor & Workforce Development (originally sponsored by Representatives Ormsby and Moscoso).

Brief History: Passed House: 2/13/12, 54-41.

Committee Activity: Labor, Commerce & Consumer Protection:

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Staff: Mac Nicholson (786-7445)

Background: Employers on public works projects must pay prevailing wages and submit a statement of intent to pay prevailing wages (intent) after the contract is awarded but before work begins. After all of the work is complete, employers must submit an affidavit of wages paid (affidavit). The forms are filed with the Department of Labor and Industries and, when approved, are submitted by the employer to the agency administering the contract.

A contractor or subcontractor who fails to file intents and affidavits, or files false intents and affidavits, is subject to a \$500 fine and cannot bid on a public works contract until the penalty has been paid. A second violation within a five-year period bars the contractor or subcontractor from bidding on a public works contract for one year.

A contractor or subcontractor who fails to pay the prevailing wage when required is subject to a \$1,000 fine or 20 percent of the violation, whichever is greater, and cannot bid on a public works contract until the penalty has been paid. A second violation within a five-year period bars a contractor or subcontractor from bidding on a public works contract for two years.

Summary of Bill: A successor entity is liable for any unpaid prevailing wages of, and monetary and nonmonetary sanctions for, violations of prevailing wage requirements committed by a predecessor contractor if the successor had actual or constructive notice of the violation at the time of the sale or conveyance.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A successor entity is an entity to which a contractor directly or indirectly sells or conveys in bulk a substantial portion of its assets when the contractor quits business, sells out, exchanges, or disposes of the contractor's business. Several factors are established which may be considered in making a successor determination.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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