

# SENATE BILL REPORT

## SB 6416

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As of February 1, 2012

**Title:** An act relating to certified payroll records on public works projects.

**Brief Description:** Concerning certified payroll records on public works projects.

**Sponsors:** Senators Chase, Pridemore, Conway, Benton, Kohl-Welles, Kline, Roach, Kastama, Keiser and Shin.

**Brief History:**

**Committee Activity:** Labor, Commerce & Consumer Protection: 2/02/12.

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Staff:** Mac Nicholson (786-7445)

**Background:** Employers on public works projects must pay prevailing wages. The prevailing wage is the hourly wage, usual benefits, and overtime paid to the majority of workers in the largest city of the county where the work is being performed. The prevailing wage is determined by the industrial statistician at the Department of Labor and Industries (L&I). Contractors on a public works project must submit a statement of intent to pay prevailing wages 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 L&I and, when certified by the industrial statistician, are submitted by the employer to the agency administering the contract.

State law requires public agencies to withhold 5 percent of money due the contractor for a public improvement or work until completion and/or acceptance of the contract. This is known as retainage, and the public agency administering the contract may not release the retainage until all contractors have submitted an affidavit form that has been certified by the industrial statistician.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Proposed Substitute):** Before payment is made by the public agency on a public works project, the contractor and each and every subcontractor must submit certified payroll records to the public agency. Retainage on the project cannot be released until the public agency has certified payroll records from each contractor and subcontractor on the

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project. Certified payroll records must be submitted on forms approved by the industrial statistician.

**Appropriation:** None.

**Fiscal Note:** Requested on February 1, 2012.

**Committee/Commission/Task Force Created:** No.

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