

# SENATE BILL REPORT

## SHB 2331

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As of February 20, 2014

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

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

**Sponsors:** House Committee on Labor & Workforce Development (originally sponsored by Representatives Sells, Ormsby, Moscoso, Moeller, Ryu, Reykdal and Pollet).

**Brief History:** Passed House: 2/13/14, 54-44.

**Committee Activity:** Commerce & Labor: 2/21/14.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**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.

Contractors on public works projects must keep accurate payroll records for three years from the date of acceptance of the project. Contractors must file a certified copy of the payroll records with the public owner and with L&I within ten days of a written request for the records.

State law requires public agencies to withhold 5 percent of monies due to 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 submit an affidavit form that has been certified by the industrial statistician.

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*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.*

**Summary of Bill:** Before payment is made on a public works project, the awarding agency must require the contractor and all subcontractors to submit current, complete, and accurate certified payroll records to the awarding agency.

Before final payment is made and the retainage is released following final acceptance of a public works project, the awarding agency must require the contractor and all subcontractors to submit certified payroll records.

Certified payroll records must be submitted in a format acceptable to the awarding agency. Awarding agencies will be held harmless and are not liable for the currency, completeness, or accuracy of certified payroll records.

**Appropriation:** None.

**Fiscal Note:** Available.

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

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