

# SENATE BILL REPORT

## SB 5508

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As Reported by Senate Committee On:  
Commerce & Labor, February 18, 2013

**Title:** An act relating to prevailing wages on certain rural school district projects.

**Brief Description:** Restricting prevailing wages on certain rural school district projects.

**Sponsors:** Senators Hatfield and Shin.

**Brief History:**

**Committee Activity:** Commerce & Labor: 2/13/13, 2/18/13 [DPS, DNP].

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** That Substitute Senate Bill No. 5508 be substituted therefor, and the substitute bill do pass.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Hewitt and King.

**Minority Report:** Do not pass.

Signed by Senators Conway, Ranking Member; Hasegawa and Keiser.

**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 same trade or occupation 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. Prevailing wage requirements apply to all public works and public building service maintenance contracts of the state or any county, municipality, or political subdivision.

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

**Summary of Bill (Recommended Substitute):** Prevailing wage requirements do not apply to rural school district public works and public maintenance contracts. Rural school districts are those located in a county with a population less than 50,000 and that have a total enrollment of less than 400 students for the academic year immediately preceding the date the school district opens the public bidding process for the project. Students receiving

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instruction through alternative learning experience online programs are excluded when determining total student enrollment.

**Appropriation:** None.

**Fiscal Note:** Available.

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

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

**Staff Summary of Public Testimony:** PRO: Sometimes one size does not fit all. This bill is an attempt to save some money for the smallest schools in the smallest counties. If this bill passes, school districts can save money, which is huge for small rural school districts. It is unreal to think school districts would need to pay the rates they are required to pay under prevailing wage laws. This would give districts money that would not come out of any other budget in the state. Bonds fail because people do not want to pay prevailing wages.

CON: The intent to lower costs is admirable. You see problems with out-of-state contractors who have no vested interest in the community. Problems are covered up and ignored. Prevailing wage levels the playing field and allows local contractors to compete. Without prevailing wage on schools, the money leaves the state.

**Persons Testifying:** PRO: Senator Hatfield, prime sponsor; Art Hyland, Naselle Grays River School District.

CON: Clint Bryson, IBEW 76; Bob Guenther, IBEW 77; Dave Meyers, WA State Building Trades.