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## Labor Committee

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### HB 1075

**Brief Description:** Creating an exemption from the intents and affidavits requirements when paying prevailing wages.

**Sponsors:** Representatives Manweller, Condotta and Magendanz.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Provides that the requirement to file intents and affidavits does not apply to contractors or subcontractors whose contract amounts are less than \$750.</li></ul>
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**Hearing Date:** 1/20/15

**Staff:** Trudes Tango (786-7384).

**Background:**

State law requires that prevailing wages be paid to laborers, workers, and mechanics employed upon all public works and under all public building service maintenance contracts. Public work means all work, construction, alteration, repair, or improvement other than ordinary maintenance that is executed at the cost of the state or any municipality.

The prevailing wage is the hourly wage, usual benefits, and overtime paid in the largest city in each county, to the majority of workers, laborers, or mechanics in the same trade or occupation. If there is not a majority in the same trade or occupation paid at the same rate, then an average wage is calculated and established as the prevailing wage.

Contractors and subcontractors on public works projects must submit a "Statement of Intent to Pay Prevailing Wages" to the awarding agency before any payment by the agency is made. Once the project is completed and before final acceptance by the awarding agency, the contractor and subcontractors must submit an "Affidavit of Wages Paid." The awarding agency must withhold final disbursement of any retained funds until affidavits are submitted.

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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.*

Intents and affidavits must be approved by the industrial statistician at the Department of Labor and Industries (Department) before they are submitted to the awarding agency. With a few exceptions, filing the intent and the affidavit requires a \$40 filing fee each.

For projects of \$2500 or less, the awarding agency may choose to use an alternative intent and affidavit procedure, which allows a contractor to combine the intent and affidavit form and allows the awarding agency to disburse payment before the form is submitted to the Department. It is the awarding agency's choice whether to use this alternative process.

**Summary of Bill:**

Starting on the effective date of the bill, the requirement to submit intents and affidavits does not apply to contractors and subcontractors whose contract amounts are less than \$750. That threshold contract amount must be adjusted for inflation every year, starting on January 1, 2017, by the Department, using the consumer price index for urban wage earners and clerical workers (CPI-W).

**Appropriation:** None.

**Fiscal Note:** Requested on January 12, 2015.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.