

SENATE BILL REPORT

SB 5707

As Reported by Senate Committee On:
Commerce & Labor, February 18, 2015

Title: An act relating to exempting cities with a population of ten thousand or less from prevailing wage requirements.

Brief Description: Exempting cities with a population of ten thousand or less from prevailing wage requirements.

Sponsors: Senators Ericksen, Baumgartner, Bailey, Warnick and Padden.

Brief History:

Committee Activity: Commerce & Labor: 2/16/15, 2/18/15 [DP, DNP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; King and Warnick.

Minority Report: Do not pass.

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

Staff: Richard Rodger (786-7461)

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 requirement applies to all public works and public building service maintenance contracts of the state or any county, municipality, or political subdivision.

Workers regularly employed by the state or any political subdivision are statutorily exempt from the prevailing wage requirements.

Summary of Bill: Public works and public building service maintenance contracts of cities, with a population of 10,000 or less, are exempt from the requirement to pay prevailing wages.

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.

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: My concern is that small cities are being priced out of projects that are beneficial to the communities. Many of these small cities only have one major employer and the cities can't just keep raising their taxes to pay for public works projects.

CON: We are not supportive of any line-item exemptions to the public works prevailing wage statutes. These exemptions undermine the whole purpose of the public works statute, a law that was designed to protect workers. Exemptions like this should be evaluated by the department's Prevailing Wage Advisory Committee. The population threshold is not included in the federal Davis-Bacon Act and will cause confusion on projects that have some federal funding. This will create a patchwork of prevailing wages and make it difficult for business people who bid on these projects.

Persons Testifying: PRO: Senator Erickson, prime sponsor.

CON: Josh Swanson, International Union of the Operating Engineers; Lee Newgent, WA Building Trades; Larry Stevens, National Electrical Contractors Assn, Mechanical Contractors Assn.