

# SENATE BILL REPORT

## SB 5774

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As of February 18, 2015

**Title:** An act relating to requiring tracking of prevailing wage surveys.

**Brief Description:** Requiring tracking of prevailing wage surveys.

**Sponsors:** Senators Braun, Baumgartner and Brown.

**Brief History:**

**Committee Activity:** Commerce & Labor: 2/16/15.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Staff:** Susan Jones (786-7404)

**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. If the majority of workers in a trade or occupation in the largest city of the county are paid the same wage, that wage becomes the prevailing wage. If no single wage rate is paid to a majority of workers, an average wage is calculated and becomes the prevailing wage.

Prevailing wage rates are established by the industrial statistician at the Department of Labor and Industries (L&I) for each trade and occupation employed in the performance of public work. To determine the prevailing wages, L&I conducts wage surveys where employers, contractors, and labor unions are asked to submit wage and hour data. L&I develops the wage survey mailing list using industrial insurance, intent and affidavit filing, and licensing data. Under L&I's rule, wage and hour surveys will be used only when submitted by certain entities listed in its rule.

**Summary of Bill:** L&I must keep track of the number of wage surveys it sends and the number of responses it receives for each of the following categories:

- individual contractors;
- employers that directly employ and supervise employees in building service maintenance, ship building or repair, the manufacture of nonstandard items produced for public works projects, and the production and delivery of gravel, concrete, other similar materials;

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- certain labor unions submitting wage and hour data; and
- interested parties providing wage and hour data by trade and occupation from certified payroll records or from hours reported on affidavits of wages paid.

The categories are similar to those currently provided in the L&I rule.

**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: Determining the prevailing wage accurately is important.

CON: L&I is already collecting information. The bill is confusing and redundant. There is rulemaking coming. This bill is premature.

**Persons Testifying:** PRO: Senator Braun, 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.