

SENATE BILL REPORT

SB 5953

As of February 17, 2015

Title: An act relating to exempting from the prevailing wage laws work performed or funded by nonprofit organizations.

Brief Description: Exempting from the prevailing wage laws work performed or funded by nonprofit organizations.

Sponsors: Senators Braun and Baumgartner.

Brief History:

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

SENATE COMMITTEE ON COMMERCE & LABOR

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: Work on a public works project that is performed or funded by a nonprofit organization is exempt from the requirement to pay prevailing wages.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

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.

Staff Summary of Public Testimony: PRO: This bill will help our nonprofits when they participate in building public works projects in our communities.

CON: There are nonprofits formed for construction projects that cost \$100 million. The courts have already identified the triggers of when a project meets the test for prevailing wages: public property, public funds, and public benefits. We don't approve of any line-item exemptions to the public works prevailing wage requirements. If a project involves federal funds, this bill will be inconsistent with the Federal Davis-Bacon Act and it will cause confusion.

Persons Testifying: PRO: Senator Braun, prime sponsor.

CON: Josh Swanson, International Union of the Operating Engineers; Lee Newgent, WA Building Trades.