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## HOUSE BILL 1254

State of Washington 64th Legislature 2015 Regular Session

By Representatives Manweller, Short, McCaslin, and Buys Read first time 01/16/15. Referred to Committee on Labor.

- 1 AN ACT Relating to prevailing wages; amending RCW 39.12.015; and 2 prescribing penalties.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 39.12.015 and 1965 ex.s. c 133 s 2 are each amended to read as follows:
- 6 (1) All determinations of the prevailing rate of wage shall be 7 made by the industrial statistician of the department of labor and 8 industries.
  - (2) A pilot project is created to establish the prevailing rate of wage for the following trades: Cement masons; operating engineers; laborers in utilities construction; plasterers; telecommunications technicians; and divers. The prevailing rate of wage under the pilot project must be published no later than February 2017, and for those trades specified in (a) of this subsection, may be adjusted semiannually based on changes to the collective bargaining agreements. Under the pilot project, the industrial statistician shall establish the prevailing rate of wage as follows:
- 18 <u>(a) For the trades of plasterer, telecommunications technician,</u>
  19 <u>and diver, the industrial statistician shall establish the prevailing</u>
  20 <u>rate of wage by adopting the hourly wage, usual benefits, and</u>
  21 <u>overtime pay established in collective bargaining agreements for the</u>

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specified trades. If there is no collective bargaining agreement, the prevailing rate of wage is established by conducting wage surveys.

(b)(i) For the trades of cement mason, operating engineer, and laborer in utilities construction, the industrial statistician shall establish the prevailing rate of wage by using a stratified random sampling methodology. To conduct the stratified random sampling methodology, the department of labor and industries shall identify the contractors, employers, and labor unions eligible to receive wage surveys for the specified trades. The department shall send wage surveys to at least thirty percent of those eligible survey recipients in each of the specified trades. The department shall use a random method to select the recipients of the survey in each trade. The prevailing rate of wage for a trade may be established using a stratified random sampling methodology when the department has received survey responses from at least twenty-five percent of the eligible survey recipient population in that particular trade.

(ii) A recipient of a wage survey under the pilot project is required to respond to the survey within ninety days of receiving the survey. If a recipient has not responded within ninety days, the department shall contact the recipient by telephone. If after thirty days of the first telephone call the recipient has still not responded, the department shall contact the recipient by telephone and notify the recipient that it must respond to the survey and will be subject to civil penalties if the recipient fails to respond. If the recipient fails to respond within fourteen business days of the department's second telephone call to the recipient, the department shall assess a civil penalty of five hundred dollars against the recipient.

(iii) Civil penalties collected under this pilot program are deposited in the public works administration account.

(c) The joint legislative audit and review committee, in consultation with the department of labor and industries and the prevailing wage advisory committee, shall conduct an assessment of the pilot project. The joint legislative audit and review committee may contract with an independent expert in prevailing wage to assist with the assessment. The assessment must evaluate which of the following three prevailing wage methodologies generates the rate that best reflects the actual market wage rate: (i) The use of stratified random sampling; (ii) the use of collective bargaining agreements; or (iii) the general wage survey method. The joint legislative audit and

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- 1 review committee shall submit a progress report by June 30, 2018, and
- 2 the results of the assessment by June 30, 2020, to the appropriate
- 3 committees of the legislature.
- 4 (d) The pilot project under this subsection expires August 1,
- 5 2021.

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