

HOUSE BILL REPORT

HB 1675

As Reported by House Committee On: Labor & Workplace Standards

Title: An act relating to improving compliance with prevailing wage procedures.

Brief Description: Improving compliance with prevailing wage procedures.

Sponsors: Representatives Sells, Gregerson, Doglio, Frame, Ormsby, Macri, Goodman, Stonier, McBride, Peterson, Cody, Ortiz-Self and Pollet.

Brief History:

Committee Activity:

Labor & Workplace Standards: 2/2/17, 2/13/17 [DP].

Brief Summary of Bill

- Creates a civil penalty of \$500 for a contractor who fails to post a statement of intent to pay prevailing wages and related information.
- Provides that a violation of the posting requirement is a strike for purposes of prevailing wage debarment.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: Do pass. Signed by 4 members: Representatives Sells, Chair; Gregerson, Vice Chair; Doglio and Frame.

Minority Report: Do not pass. Signed by 3 members: Representatives Manweller, Ranking Minority Member; McCabe, Assistant Ranking Minority Member; Pike.

Staff: Joan Elgee (786-7106).

Background:

Prevailing Rate of Wage.

State law requires contractors to pay prevailing wages to laborers, workers, and mechanics employed on all public works contracts and public building service maintenance contracts.

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.

The prevailing wage is the hourly wage, usual benefits, and overtime paid in the largest city in the county to the majority of individuals in the same trade or occupation. The prevailing wage for each county and occupation is established by the industrial statistician for the Department of Labor and Industries (Department). Workers who believe their rights to prevailing wages have been violated may file a complaint with Department, which then investigates and renders a decision.

Generally, prevailing wage provisions apply to contractors and subcontractors.

Intents, Affidavits, and Posting.

Each contractor on a public works project must file with the Department a statement of intent to pay prevailing wages after a project is accepted but before work begins. The intent statement includes the labor classifications and wages used on the project. In addition, when work is complete but before final acceptance by the awarding agency, the contractor must file an affidavit of wages paid. Contractors for public works or public building service maintenance contracts in excess of \$10,000 are required to post the statement of intent to pay prevailing wages at the job site along with the address and telephone number of the industrial statistician of the Department where a complaint or inquiry concerning prevailing wages may be made.

Penalties.

Contractors on a public works contract must pay a civil penalty of \$500 for each reporting and filing violation. For example, a civil penalty may be imposed for submitting false information or failing to file a statement of intent to pay prevailing wages or an affidavit of wages paid. However, the civil penalty does not apply to inadvertent filing or reporting errors. The fined contractor may not bid on any public works contract until the penalty is paid. A violation is known as a "strike," and if a contractor or subcontractor is found to have committed a second violation of the filing or reporting requirements within a five year period, the contractor or subcontractor is debarred, meaning not allowed to bid on any public works contract for one year. Civil penalties are deposited in the public works administration account.

No civil penalty applies to violations of the requirement to post the statement of intent to pay prevailing wages.

Summary of Bill:

A contractor who fails to post a statement of intent to pay prevailing wages must pay a \$500 civil penalty. To be eligible to bid on any future public works contract, the contractor must pay the penalty. In addition, a violation of the posting requirement is a strike for the purposes of prevailing wage debarment. Thus, contractors fined for two filing, reporting, and/or posting violations in a five-year period are debarred for one year.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This simple bill will allow workers to review what they are supposed to be paid and mistakes can be caught early. Contractors should be accountable.

(Opposed) None.

Persons Testifying: Neil Hartman, Washington State Building and Construction Trades Council.

Persons Signed In To Testify But Not Testifying: None.