

SENATE BILL REPORT

HB 1674

As of March 17, 2017

Title: An act relating to establishing the prevailing rate of wage based on collective bargaining agreements or other methods if collective bargaining agreements are not available.

Brief Description: Establishing the prevailing rate of wage based on collective bargaining agreements or other methods if collective bargaining agreements are not available.

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

Brief History: Passed House: 3/01/17, 50-48.

Committee Activity: Commerce, Labor & Sports: 3/22/17.

Brief Summary of Bill

- Requires the Department of Labor and Industries (L&I) industrial statistician to establish the prevailing rate of wage using collective bargaining agreements.

SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

Staff: Susan Jones (786-7404)

Background: State law requires that the hourly wages to be paid to laborers, workers, or mechanics, on all public works and under all public building service maintenance contracts of the state or any county, municipality, or political subdivision, must be not less than the prevailing rate of wage for an hour's work in the same trade or occupation in the locality within the state where such labor is performed. Public work means all work, construction, alteration, repair, or improvement, other than ordinary maintenance, that is executed at the cost of the state or of any municipality.

The prevailing rate of wage is the rate of hourly wage, usual benefits, and overtime paid in the locality, the largest city in the county wherein the physical work is being performed, to the majority of workers, laborers, or mechanics, in the same trade or occupation. In the event that there is not a majority in the same trade or occupation paid at the same rate, then the average rate of hourly wage and overtime paid to such laborers, workers, or mechanics in the

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same trade or occupation must be the prevailing rate. If the wage paid by any contractor or subcontractor to laborers, workers, or mechanics on any public work is based on some period of time other than an hour, the hourly wage must be mathematically determined by the number of hours worked in such period of time.

All determinations of the prevailing rate of wage are made by the L&I industrial statistician. An L&I rule provides that the industrial statistician must establish prevailing wage rates by:

- conducting wage and hour surveys for established trades and occupations;
- adopting the wage and benefit adjustments established in collective bargaining agreements for those trades or occupations where the most recently established prevailing wage rates were derived from a collective bargaining agreement; or
- in instances when those procedures are not feasible, employing other methods deemed appropriate by the industrial statistician.

In establishing the prevailing rate of wage, all data collected by L&I may be used only in the county for which the work was performed. L&I must allow registered contractors to complete a wage survey electronically.

Summary of Bill: The L&I industrial statistician must establish the prevailing rate of wage by adopting the hourly wage, usual benefits, and overtime pay established in collective bargaining agreements for those trades and occupations that have collective bargaining agreements. For trades and occupations in which there are no collective bargaining agreements, the industrial statistician must establish the prevailing rate of wage by conducting wage and hour surveys. In instances when there are no collective bargaining agreements and conducting wage and hour surveys are not feasible, the industrial statistician may employ other appropriate methods to establish the prevailing rate of wage.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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