

# HOUSE BILL REPORT

## SB 5566

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### As Reported by House Committee On: Labor & Workplace Standards

**Title:** An act relating to setting fees for administration of the prevailing wage program.

**Brief Description:** Concerning setting fees for administration of the prevailing wage program.

**Sponsors:** Senators Braun and Takko; by request of Department of Labor & Industries.

#### **Brief History:**

##### **Committee Activity:**

Labor & Workplace Standards: 3/25/19, 4/1/19 [DP].

#### **Brief Summary of Bill**

- Reduces the \$40 prevailing wage intent and affidavit fee to \$20 for the 2019-20 biennium.
- Directs the Department of Labor and Industries to set the fee in subsequent biennia to generate revenue as near as practicable to the amount appropriated to administer the prevailing wage program, subject to a \$40 cap.

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### HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

**Majority Report:** Do pass. Signed by 7 members: Representatives Sells, Chair; Chapman, Vice Chair; Mosbrucker, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Gregerson, Hoff and Ormsby.

**Staff:** Joan Elgee (786-7106).

#### **Background:**

State law requires that prevailing wages be paid to laborers, workers, and mechanics employed on all public works and under all public building service maintenance contracts. Public work is all work, construction, alteration, repair, or improvement other than ordinary maintenance that is executed at the cost of the state or any municipality.

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*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 and is the wage, benefits, and overtime established in collective bargaining agreements for the geographic jurisdiction. If there are no collective bargaining agreements in the county, the industrial statistician must conduct a wage and hour survey or use other methods if a survey is not feasible.

Contractors and subcontractors on public works projects must submit a "Statement of Intent to Pay Prevailing Wages" to the awarding agency before any payment by the agency is made. Once the project is completed and before final acceptance by the awarding agency, the contractor and subcontractors must submit an "Affidavit of Wages Paid." Intents must be approved and affidavits certified by the industrial statistician at the Department of Labor and Industries (Department) before they are submitted to the awarding agency.

The Department may charge fees for approving the intent and certifying the affidavit and may also charge a fee for the arbitration of disputes. Fees must be set at a level that generates revenue as near as practicable to the amount appropriated to administer the prevailing wage program. However, the fee for approving the intent and certifying the affidavit is set in statute at \$40 each, with some exceptions.

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**Summary of Bill:**

For the 2019-20 biennium the fee to approve a "Statement of Intent to Pay Prevailing Wages" and certify an "Affidavit of Wages Paid" must be not more than \$20.

Subsequently, the Department must set the fee under the standard for other fees, which is at the level to generate revenue as near as practicable to the amount appropriated to administer the prevailing wage program, but at no more than \$40.

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**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) The fund is generating more money than needed but the Department does not have discretion to lower the fee. The bill reduces the fee for two years, and then gives the Department discretion to set the fee under the standard applicable to other fees, which is the amount needed to administer the program.

(Opposed) None.

**Persons Testifying:** Tammy Fellin, Department of Labor and Industries.

**Persons Signed In To Testify But Not Testifying:** None.