

SENATE BILL REPORT

SB 5566

As Passed Senate, March 12, 2019

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 & Commerce: 1/29/19, 2/04/19 [DP, w/oRec].

Floor Activity:

Passed Senate: 3/12/19, 46-1.

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.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Braun, Saldaña, Walsh and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senator King, Ranking Member.

Staff: Jarrett Sacks (786-7448)

Background: State law requires 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. The

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prevailing wage is the hourly wage, usual benefits, and overtime paid in the largest city in the county and is set by 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 (L&I) before they are submitted to the awarding agency.

The fee for approving the intent and certifying the affidavit is set in statute at \$40 each, with some exceptions. L&I also has authority to charge a fee for the arbitration of disputes. This fee must be set at a level generating revenue as near as practicable to the amount appropriated to administer the prevailing wage program.

Summary of Bill: For the 2019-21 biennium, the fee for approval of a statement of intent to pay prevailing wages and certifying an affidavit of wages paid must be not more than \$20. Subsequently, L&I must set the fee 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.

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.

Staff Summary of Public Testimony: PRO: The bill reduces fees, which will allow that money to be reinvested into the economy. The bill does not change the statutory cap on the fees, but it allows the director the discretion to set fees lower in the future.

Persons Testifying: PRO: Senator John Braun, Prime Sponsor; Tammy Fellin, L&I.

Persons Signed In To Testify But Not Testifying: No one.