

SENATE BILL REPORT

SB 5563

As of February 3, 2023

Title: An act relating to determining the prevailing wage for public works.

Brief Description: Concerning how the prevailing wage for public works is determined.

Sponsors: Senators King and Wagoner.

Brief History:

Committee Activity: Labor & Commerce: 2/06/23.

Brief Summary of Bill

- Requires the industrial statistician, when there is more than one collective bargaining agreement in a county, to determine the prevailing wage using the majority rate from those agreements, or, when a majority rate is not present, the rate representing the preponderance of hours.
- Provides that an interested party may contest a determination by the industrial statistician to prove the actual rate used in the determination is less than the rate representing the majority number or preponderance of hours.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Jarrett Sacks (786-7448)

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

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

The industrial statistician of the Department of Labor and Industries (L&I) establishes the prevailing wage by adopting the hourly wage, usual benefits, and overtime established in collective bargaining agreements for those trades and occupations that have collective bargaining agreements. For trades and occupations with more than one collective bargaining agreement in the county, the higher rate is used.

By L&I rule, any party in interest seeking a modification or other change in a wage determination, and who has requested the industrial statistician to make the modification or the change and has been denied, after appropriate reconsideration by the assistant director, has the right to petition for arbitration of the determination. Requests must be made within 30 days of the date of the determination or response for the request for modifications.

A party in interest is:

- any contractor, or an association representing a contractor, who is likely to seek or to work under a contract containing a particular wage determination, or any worker, laborer or mechanic, or any council of unions or any labor organization which represents a laborer or mechanic who is likely to be employed or to seek employment under a contract containing a particular wage determination; and
- any public agency concerned with the administration of a proposed contract or a contract containing a particular wage determination.

Summary of Bill: For trades and occupations with more than one collective bargaining agreement in a county, rather than the higher rate prevailing, the industrial statistician must determine and prevail the majority rate from those agreements. When a majority rate is not present, the industrial statistician must determine and prevail the rate representing the preponderance of hours.

An interested party may contest a determination by the industrial statistician. The interested party must allege and prove by competent evidence that the actual rate used in the determination is less than the rate representing the majority number or preponderance of hours worked. Until a final determination, the work in question must proceed under the rate established by the appropriate fiscal officer.

Appropriation: None.

Fiscal Note: Requested on February 2, 2023.

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

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