

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 0 - 1
Yeas:	Berger, Edwards C., Esquivel, Holvey, Rosenbaum, Schaufler
Nays:	0
Exc.:	Smith P.
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	1/19, 4/20, 4/30

WHAT THE MEASURE DOES: Modifies the sections of United States Code (Davis-Bacon Act) that are referenced in statutes relating to public contracting advertisements and solicitation documents, bids, and proposals; and prevailing wage rates. Clarifies that projects regulated under the Davis-Bacon Act are exempt from certain statutes relating to the prevailing wage rate, except for the statutes which relate to the applicability of state and federal prevailing wage rates. Establishes that if a public contract is subject to both state and federal prevailing wage rates, if the state prevailing wage rate is higher than the federal prevailing wage rate, the project's contractor and every subcontractor shall pay at least the state prevailing wage rate as determined under current statute.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF COMMITTEE AMENDMENT: Replaces the bill.

BACKGROUND: SB 477 (2005) addressed a number of problems regarding public contracting law, such as how to treat projects, such as skateboard parks and other community projects that involve volunteers and donated materials as well as local government participation; contractors being fully paid before they verify wage payments; wage claims of subcontractors attaching to contractors' bonds; and difficulty determining whether federal or state prevailing wages apply.

Another change was a new requirement that contractors performing work on public projects that are subject to both state and federal prevailing wage laws pay the higher wage amount. This determination can be difficult because while the current state prevailing threshold is \$25,000, federal prevailing wage is only \$2,000 of federal funds, and erroneous wage claims can result from contractors not being properly informed on a project's funding sources. HB 2021 A clarifies that if a public agency fails to include state and federal prevailing wage rates in a public works contract, or fails to include information showing which prevailing wage rate is higher for workers in each trade/occupation in each locality, the agency is liable for workers' unpaid minimum wages, including fringe benefits, and in an additional amount equal to the unpaid wages as liquidated damages.