

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: House concur in the Senate Amendments dated June 6, Further Amend, and Repass the Bill

Vote: 6 - 0 - 0

Yeas: Representatives Esquivel, Holvey, Schaufler, Senators Metsger, Morse, Walker

Nays: 0

Exc.: 0

Prepared By: Theresa Van Winkle, Administrator

Meeting Dates: 6/18

WHAT THE MEASURE DOES: Requires that contractors and subcontractors who are working on public works projects subject to the federal Davis-Bacon Act pay at least the state prevailing wage rate if it is higher than the federal prevailing wage rate. Establishes additional criteria for the Commissioner of the Bureau of Labor and Industries (BOLI) to follow in determining the correct prevailing wage rate to use, such as the site of the project; and whether workers that transport materials and supplies to and from the project site are subject to the Davis-Bacon Act and are entitled to be paid at the prevailing wage rate. Allows the commissioner to enforce prevailing wage rate statutes with the guidance of the Prevailing Wage Rate Advisory Committee and provide a waiver under certain circumstances. Exempts workers enrolled in certified skill training programs that are under the Federal-Aid Highway Act from prevailing wage rate statutes. Makes a public agency liable for workers' unpaid wages, fringe benefits, and liquidated damages when the agency fails to include information regarding prevailing wage rates in specifications for a public works contract. Modifies the minimum and maximum fee amounts for public works projects with a sunset date of January 1, 2011. Requires BOLI to develop and adopt a plan to increase diversity statewide among workers employed on projects subject to prevailing wage rate statute and to report annually to the Legislature or an appropriate interim legislative committee regarding the plan and suggested legislation that will improve diversity in public works projects.

ISSUES DISCUSSED:

- Provisions of the amendment

EFFECT OF COMMITTEE AMENDMENT: Clarifies that statutes pertaining to prevailing wage rates do not apply to workers enrolled in skill training programs that are under the Federal-Aid Highway Act. Removes apprenticeships certified under the Act from the exemption. Deletes provision which allows the Commissioner of the BOLI to administer and enforce prevailing wage rate statutes in a manner not consistent with federal regulations or guidelines relating to the Davis-Bacon Act if the public works project is not subject to the Act.

BACKGROUND: SB 477 (2005) addressed a number of concerns 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 verified wage payments; wage claims of subcontractors attaching to contractors' bonds; and difficulty determining whether federal or state prevailing wages applied.

Additionally, SB 477 (2005) created a new requirement that contractors performing work on public projects that are subject to state and federal prevailing wage laws, pay the higher wage amount. This determination can be difficult because, while the current state prevailing threshold is \$50,000, 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 B clarifies issues that have arisen since the enactment of SB 477 (2005), such as ensuring that state and federal prevailing wage rates in a public works contract are disclosed, and for workers to be paid the correct wage rate.

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This summary has not been adopted or officially endorsed by action of the committee.