

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

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**Action:** Do Pass as Amended and Be Printed Engrossed

**Vote:** 4 - 1 - 0

**Yeas:** Metsger, Morse, Westlund, Walker

**Nays:** Kruse

**Exc.:** 0

**Prepared By:** Dana Richardson, Administrator

**Meeting Dates:** 5/24, 5/29

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**WHAT THE MEASURE DOES:** Requires, for public works projects subject to the federal Davis-Bacon Act, that contractors and subcontractors pay at least the state prevailing wage rate if the state prevailing wage rate is higher than the federal prevailing wage rate. Requires Commissioner of Bureau of Labor and Industries to determine whether workers transporting materials and supplies to and from project site are subject to Davis-Bacon Act and entitled to prevailing wage rate. Requires commissioner to determine site of the project. Allows commissioner to enforce prevailing wage rate statutes and provide waiver under certain circumstances. Exempts workers enrolled in apprenticeship and certified skill training programs from prevailing wage rate statutes. Makes public agency liable for workers' unpaid wages, fringe benefits, and liquidated damages when public agency fails to include certain information on prevailing rates of wage in specifications for public works contract. Specifies responsibility for and timeliness of fee payment. Specifies range of applicable fees. Requires bureau to develop and adopt plan to increase diversity statewide among workers employed on projects subject to prevailing wage rate statutes. Requires report to Legislature or appropriate interim legislative committee annually.

**ISSUES DISCUSSED:**

- Provisions of the measure

**EFFECT OF COMMITTEE AMENDMENT:** Removes exemption from prevailing wage rate statutes those projects regulated by Davis-Bacon Act. Requires commissioner to determine whether workers transporting materials and supplies to and from project site are subject to Davis-Bacon Act and entitled to prevailing wage rate. Requires commissioner to determine site of the project. Allows commissioner to enforce prevailing wage rate statutes and provide waiver under certain circumstances. Exempts workers enrolled in apprenticeship and certified skill training programs from prevailing wage rate statutes. Specifies responsibility for and timeliness of fee payment. Specifies range of applicable fees. Requires bureau to develop and adopt plan to increase diversity statewide among workers employed on projects subject to prevailing wage rate statutes. Requires report to Legislature or appropriate interim legislative committee annually.

**BACKGROUND:** During the 2005 Legislative Session, Senate Bill 477 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 verified wage payments; wage claims of subcontractors attaching to contractors' bonds; and difficulty determining whether federal or state prevailing wages applied.

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 2021B 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.

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