

**HB 4154 A -A3 STAFF MEASURE SUMMARY**

**House Committee On Rules**

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**Meeting Dates:** 2/20

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**WHAT THE MEASURE DOES:**

Makes general contractor liable for unpaid wages, benefit payments and other contributions due to employee of subcontractor at any tier. Allows Bureau of Labor and Industries (BOLI) to enforce wage claim against contractor as if contractor was the subcontractor who had not fully compensated the employee. Allows exclusive representative of collective bargaining unit that is owed employee's benefit payment or contribution to bring action against the contractor. Allows contractor to pay employee the amount due to the subcontractor's employees and withhold payment to the subcontractor until stated requirements are met.

**ISSUES DISCUSSED:**

- Lengthy process to receive wages earned when claiming a lien
- Number of wage claims received by BOLI
- Importance of selecting responsible subcontractors
- Negative impact of measure on contractors who are compliant
- Recent increase in BOLI personnel working on wage enforcement

**EFFECT OF AMENDMENT:**

-A3 Makes general contractor liable for unpaid wages, benefit payments and other contributions due to employee of subcontractor at any tier if the general contractor has not fully paid the subcontractor if there is a valid claim. Removes proposed private right of action. Allows Bureau of Labor and Industries (BOLI) to enforce wage claim against contractor as if contractor was the subcontractor who had not fully compensated the employee. Allows contractor to pay BOLI Commissioner the amount due to the subcontractor's employees and withhold payment to the subcontractor until stated requirements are met.

**BACKGROUND:**

The Bureau of Labor and Industries received approximately 1,200 wage claims last year. It has been observed that the construction industry represents a disproportionately large share of the wage claims. On a project subject to prevailing wage rate laws, the general contractor must post a bond. It is common practice in the construction industry to have multiple tiers of subcontractors working on a project. House Bill 4154-A assigns liability to the contractor for unpaid wages, benefits and contributions of employees of subcontractors at any tier.