

## HB 3608 STAFF MEASURE SUMMARY

### House Committee On Rules

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**Meeting Dates:** 4/20, 5/11

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#### WHAT THE MEASURE DOES:

Makes applicable locality, for purpose of specifying prevailing wage rate (PWR) for electrical workers, the geographic area within which each local union is exclusive representative for the local union's membership, and the applicable collective bargaining agreement is the collective bargaining agreement to which local union is a party. Defines electrical worker. Applies to PWR determinations made by Commissioner of the Bureau of Labor and Industries on or after effective date. Takes effect on 91st day following adjournment sine die.

*REVENUE: No revenue impact*

*FISCAL: Has minimal fiscal impact*

#### ISSUES DISCUSSED:

- Misalignment of local union and county boundaries
- Split within District 3, composed of Marion, Polk and Yamhill Counties, for prevailing wage rates

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

The prevailing wage rate (PWR) is the hourly wage, including all fringe benefits, that the Commissioner of the Bureau of Labor and Industries (BOLI) determines is paid in the locality to most workers employed in a specified trade or occupation. Contractors and subcontractors must pay the PWR to workers on certain public works projects. Oregon is one of 26 states, along with the District of Columbia and the federal government, that adopt and administer PWR requirements for certain public projects. The purposes of the PWR requirements, as provided in ORS 279C.805, are to:

- Ensure that contractors compete on the ability to perform work competently and efficiently while maintaining community-established compensation standards.
- Recognize that local participation in publicly financed construction and family wage income and benefits are essential to the protection of community standards.
- Encourage training and education of workers to industry skills standards.
- Encourage employers to use funds allocated for employee fringe benefits for the actual purchase of those benefits.

Senate Bill 493 (2021) made the PWR for a trade or occupation the wage established in a collective bargaining agreement (CBA) for that locality. If there is more than one CBA, then the highest wage rate among the CBAs prevails. If a CBA does not exist for a given trade or occupation in a locality, the Commissioner must determine the PWR using an independent wage survey.

House Bill 3608, for the purpose of specifying the PWR for electrical workers, makes the applicable locality the geographic area within which each local union is the exclusive representative for the local union's membership, and the applicable collective bargaining agreement is the collective bargaining agreement to which the local union is a party.