

HB 3193 B STAFF MEASURE SUMMARY**Carrier:** Sen. Heard**Senate Committee On Workforce****Action Date:** 05/02/19**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)**Vote:** 5-0-0-0**Yeas:** 5 - Golden, Hansell, Knopp, Monnes Anderson, Taylor**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** Ellen Osoinach, LPRO Analyst**Meeting Dates:** 4/25, 5/2**WHAT THE MEASURE DOES:**

Requires Bureau of Labor and Industries (BOLI) to notify Construction Contractors Board (CCB) in the following situations: when contractor or business subject to licensing has a valid wage claim filed against them, when final order of determination is issued, and when contractor fails to pay wage claim within 60 days. Establishes disciplinary actions CCB may take when notified of final order by BOLI. Requires BOLI to include in order of determination a statement that failure to pay amount owed to wage claimant within 60 days will result in BOLI notifying CCB and subsequent suspension of license by CCB until amount due is paid. Authorizes CCB to revoke, suspend or refuse to issue a license to owner, officer, or responsible managing individual who fails to pay amount due. Raises cap on amount that wage claimant can receive from Wage Security Fund from \$4,000 to \$10,000. Allows person owed wages or benefits from contractor to recover payment from contractor's bond or by obtaining final order issued by BOLI. Allows nonowner of project (e.g., laborer) to access more than \$3,000 of residential contractor's bond in specified situations.

ISSUES DISCUSSED:

- Process for tracking successor companies
- Data-driven legislation ensuring correct problem targeted

EFFECT OF AMENDMENT:

Aligns BOLI and CCB enforcement processes by clarifying the actions required of BOLI, with respect to licensed contractors, also apply to licensed businesses, and replacing term "construction debt" with "wage claim." Eliminates requirement that business owner remain responsible for penalties or bond requirements when business ceases, and instead authorizes CCB to revoke, suspend, or refuse to issue a license to owner, officer, or responsible managing individual who has failed to pay BOLI-adjudicated wage claim.

BACKGROUND:

The Bureau of Labor and Industries received approximately 1,200 employee wage claims in 2017, of which a disproportionately large share involved the construction industry. Contractors licensed by the Construction Contractors Board must maintain a bond which can be accessed by employees with a claim of unpaid wages. Wage claimants can access the Wage Security Fund if the business that owes the wages has ceased business and lacks sufficient assets to pay the claim. No more than \$4,000 per claimant may be paid from the Fund. Stakeholders met throughout the 2018 interim to develop the policies contained in House Bill 3193-B to ensure that workers in the construction industry are paid what they have earned.