

## SB 1568 STAFF MEASURE SUMMARY

### House Committee On Rules

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**Prepared By:** Melissa Leoni, LPRO Analyst

**Meeting Dates:** 2/27, 3/4

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#### WHAT THE MEASURE DOES:

The measure specifies that the applicable locality, when determining the prevailing rate of wage for electrical workers, is the geographical area within which each local union is the exclusive representative for its membership and the applicable collective bargaining agreement is the collective bargaining agreement to which the local union is a party. The measure takes effect on the 91st day following adjournment sine die.

*FISCAL: Has minimal fiscal impact*

*REVENUE: No revenue impact*

**Senate Vote:** Ayes, 26; Nays, 3 (Boquist, Linthicum, Robinson); Excused, 1 (Lieber)

#### ISSUES DISCUSSED:

- Measure impacts in Southern Oregon because of the different boundaries
- Maps showing the prevailing wage rate regions and jurisdictional boundaries of the International Brotherhood of Electrical Workers

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

Oregon passed its prevailing wage rate (PWR) law in 1959. This law was referred to as the "Little Davis-Bacon Act," in reference to the federal "Davis-Bacon" prevailing wage laws. The 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.