

HB 2688 STAFF MEASURE SUMMARY

House Committee On Labor and Workplace Standards

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Meeting Dates: 2/24

WHAT THE MEASURE DOES:

Expands definition of public works for purpose of prevailing wage rate (PWR) to include custom, off-site fabrication, assembly or production of goods, materials, modules, components, structures, supports or fixtures or parts of fixtures that are not standard that are specifically for use in public works or that become part of public works.

Fiscal impact: (info)

Revenue impact: (info)

ISSUES DISCUSSED:

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 the majority of workers employed in a specified trade or occupation. Contractors and subcontractors must pay the PWR to workers on certain public works projects. The Commissioner is required to determine the PWR at least once each year. The PWR for a trade or occupation is the wage established in a collective bargaining agreement (CBA) for that locality. If there is more than one CBA in a locality, then the highest wage rate among the CBAs prevails.

Public works projects are generally covered by the state's prevailing wage if the total project cost exceeds \$50,000 and the project is for construction, reconstruction, major renovation, or painting projects. Private projects for construction, reconstruction, major renovation, or painting that use at least \$750,000 in public funds are subject to prevailing wage rate requirements. Projects also subject to prevailing wage requirements are private projects in which one or more public agencies will occupy or use at least 25 percent of the project's square footage, projects on real property owned by a public university, and solar projects on property owned by a public body.

House Bill 2688 expands the definition of public works for the purpose of PWR to include custom, off-site fabrication, assembly or production of goods, materials, modules, components, structures, supports or fixtures or parts of fixtures that are not standard that are specifically for use in a public works or that become part of the public works. Custom, off-site fabrication may include mechanical systems such as heating, ventilation, air conditioning, refrigeration and ducting or piping systems; electrical systems or components of electrical systems; and ornamental and structural iron work.