

HB 3216 -1 STAFF MEASURE SUMMARY

House Committee On Labor and Workplace Standards

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/12, 3/5

WHAT THE MEASURE DOES:

The measure requires contractor or subcontractor who are required to report compliance with prevailing wage laws to submit certified statements and reports to the Bureau of Labor and Industries (BOLI) by means of an electronic portal that BOLI maintains for the purpose of receiving certified statements. The measure requires BOLI to development and implement a secure electronic system for receiving, filing, and storing the required certified statements from contractors and subcontractors. Specifies the requirements of the portal. Requires BOLI to report quarterly on progress on development of portal. Takes effect on the 91st day following adjournment sine die.

Fiscal impact: (-1 amendment) Fiscal impact issued

Revenue impact: (-1 amendment) No revenue impact

ISSUES DISCUSSED:

- Transparency of wages and benefits on public projects
- Statewide system would simply requirement for submitting certified payroll
- Data security
- Other states that use statewide reporting system
- Impact to Bureau of Labor and Industries

EFFECT OF AMENDMENT:

-1 Replaces the measure. The amendment requires the Bureau of Labor and Industries (BOLI) to study the feasibility of developing a centralized system for contractors to submit certified required payroll statements regarding payment of prevailing wages.

BOLI is directed to:

- A. Evaluate the feasibility of developing a system that:
 - a. Allows contractors to submit certified statements directly to BOLI rather than to the public agency the contractor has a contract for public works;
 - b. Is entirely online, with capability to submit certified statements by means of a mobile device or a web-based portal; and
 - c. Allows public agencies inside and outside this state to retrieve or have access to certified statements for lawful purposes.
- B. Review online and electronic systems that other states use for the same or a similar function.
- C. Determine how to ensure that confidential information that contractors submit, or that is stored on or is retrievable from the system, remains confidential.
- D. Estimate the cost of developing, implementing and maintaining the system and identify funding.
- E. Evaluate the security features necessary for the system to implement secure submission, storage and retrieval of information.
- F. Consult with public agencies, contractors and other persons who submit certified required payroll statements regarding payment of prevailing wages.

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The measure requires BOLI to submit to the interim committees of the Legislative Assembly related to public procurement a report detailing the results of the study including recommendations for any legislation necessary to implement the system.

BOLI must submit the report by December 31, 2025, unless the study requires additional time, in which case BOLI can submit a progress report at that time. BOLI must submit a final report and recommendation not later than September 1, 2026.

Permits BOLI to contract with another person to conduct or assist in conducting the study. Allows for BOLI to conduct a sole-source, emergency or special procurement, as appropriate, is in the public interest.

Declares an emergency, effective upon passage.

BACKGROUND:

Contractors or subcontractors are required to report on their compliance with prevailing wage laws by filing certified statements with Bureau of Labor and Industries (BOLI). The certified statements are required to be in writing and on a form prescribed by BOLI, certifying: (a) The hourly rate of wage paid each worker whom the contractor or the subcontractor has employed upon the public works; and (b) That no worker employed upon the public works has been paid less than the prevailing rate less than the minimum hourly rate of wage specified in the contract.

The certified statements must be verified by the oath of the contractor or the subcontractor that the contractor or subcontractor has read the certified statement, that the contractor or subcontractor knows the contents of the certified statement and that to the contractor or subcontractor's knowledge the certified statement is true. The certified statements must set out accurately and completely the contractor's or subcontractor's payroll records, including the name and address of each worker, the worker's correct classification, rate of pay, daily and weekly number of hours worked and the gross wages the worker earned upon the public works during each week identified in the certified statement.

The contractor or subcontractor is required to deliver or mail the required certified statements to BOLI.

House Bill 3216 requires the contractor or subcontractor to provide to BOLI required certified statements by means of an electronic portal that BOLI maintains. The measure requires BOLI to development and implement a secure electronic system for receiving, filing, and storing the required certified statements from contractors and subcontractors.