

HCS HB 1198 -- PREVAILING WAGES

SPONSOR: Fisher

COMMITTEE ACTION: Voted "do pass" by the Committee on Workforce Development and Workplace Safety by a vote of 9 to 4.

This substitute changes the laws regarding prevailing wages. In its main provisions, the substitute:

- (1) Revises the definition of "construction" as it relates to the provisions regarding prevailing wages on public works projects to include new construction, enlargement, or major alteration. Currently, it includes construction, reconstruction, improvement, enlargement, alteration, painting and decorating, or major repair;
- (2) Revises the definition of "maintenance work" by removing the exclusion of the replacement of an existing facility and including the restoration of the material condition or operation or the painting or repainting of an existing facility;
- (3) Defines "major alteration" as an alteration or structural change to an existing public facility in which the total overall project exceeds 400 square feet and is performed by other than full-time or part-time employees of a public body. Major alteration also includes any reconstruction, enlargement, alteration, resurfacing, remodeling, or renovation that involves existing roads, streets, alleys, sewers, ditches, or other projects associated with road and bridge construction; and
- (4) Abrogates the ruling in Utility Service Co., Inc. v. the Department of Labor and Industrial Relations and the Labor and Industrial Relations Commission of Missouri.

The substitute contains an emergency clause.

FISCAL NOTE: No impact on state funds in FY 2013, FY 2014, and FY 2015.

PROPONENTS: Supporters say that the bill is needed because of a judicial ruling that makes repainting subject to the prevailing wage requirements which increases costs for local communities.

Testifying for the bill were Representative Fisher; Missouri Municipal League; Lisa Christie, City of Nevada; Derek Brown, City of Albany; Associated Builders and Contractors; Missouri Association of Municipal Utilities; and Missouri Council of School Administrators.

OPPONENTS: Those who oppose the bill say that the language in the bill results in greater confusion and does not resolve potential judicial interpretation issues.

Testifying against the bill were St. Louis Building and Construction Trades Council; SITE Improvement Association; Construction Employers Coalition; AFL-CIO; Associated General Contractors of Missouri; Adam McBride, Eastern and Western Missouri Laborers District Councils; United Steelworkers, District 11; AFT Missouri; Plumbing Industry Council; and Allen Dillingham, The Builders' Association.

OTHERS: Others testifying on the bill say that, although it may be true that the Missouri Supreme Court called upon the legislature to clarify the law in this area, the law of unintended consequences may operate here in a negative way.

Testifying on the bill was Associated General Contractors of Missouri.