

HCS HB 576 -- PREVAILING WAGE

SPONSOR: Hunter

COMMITTEE ACTION: Voted "do pass" by the Committee on Workforce Development and Workplace Safety by a vote of 8 to 6.

This substitute:

- (1) Excludes public works projects with a total cost of less than \$250,000 from the prevailing wage law;
- (2) Limits the geographic area on which the prevailing wage is based to the county where the work is performed unless it is a contract with the Highways and Transportation Commission;
- (3) Restricts the application of the prevailing wage law to actual construction only and to public works that are fixed works that are both constructed for public use or benefit and directly paid for wholly or in part out of public funds;
- (4) Requires that when no wages are reported for a particular locality, the Department of Labor and Industrial Relations establish the wage rate at 1.5 times the most recent hourly wage rate for the locality as published on or before March 10 of each year by the Missouri Economic Research Center or its successor. The requirement that applicable wage rates established by collective bargaining agreements be considered is removed;
- (5) Limits the alteration of any annual wage order for a particular occupational title in a locality to once a year; and
- (6) Limits violations of the prevailing wage law to willful violations.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that the bill is not a repeal of the prevailing wage law but a correction; 70% of wages across the state are set with no hours being reported; wages are too high and should be what is generally paid in the area; and unions do not need the protection.

Testifying for the bill were Representatives Ruestman and Hunter; Greg Hoberock; Mark Mayo; Larry Snyder; and Associated Builders and Contractors.

OPPOSERS: Those who oppose the bill say that the prevailing wage law stabilizes wages, prevents contractors from cutting wages to get a bid, helps promote a stable and highly trained

workforce, and is good for the economy; limiting the competition will make prices go up; and the bill will destabilize the construction industry.

Testifying against the bill were St. Louis Area Contractors; Associated General Contractors of Missouri; Missouri State Building Trades; Missouri Laborers; Missouri AFL-CIO; Carpenters District Council of Kansas City and St. Louis; and Missouri Pipe Trades.

Other witnesses testifying on the bill was the Division of Labor Standards.

Mark Pioli, Legislative Analyst