

HB 1478 -- PREVAILING WAGE

SPONSOR: Ruestman

COMMITTEE ACTION: Voted "do pass" by the Committee on Workforce Development and Workplace Safety by a vote of 10 to 6.

This bill prohibits an employer from bidding for or performing work on a public works construction project in which the bid or work performance includes any wage subsidies or rebate from employees, labor organizations, or any third party to subsidize the employer's labor costs on the project.

The employer is required to certify to the Department of Labor and Industrial Relations that wages paid comply with the prevailing wage specified for the project and that he or she is not receiving any prohibited rebate or subsidy.

FISCAL NOTE: No impact on state funds in FY 2005, FY 2006, and FY 2007.

PROPOSERS: Supporters say that unions are pooling money to target contracts to keep union members employed. Targeting a contract was explained as the union paying a bidding union contractor pooled union money to enable the contractor to submit a lower bid to get the contract. This practice was regarded by open shop contractors as an unfair advantage in contract bidding.

Testifying for the bill were Representative Ruestman; Associated Builders and Contractors, Heart of America Chapter; and Independent Electrical Contractors.

OPPOSERS: Those who oppose the bill say that pooling money to keep union members employed is not unfair. Targeting contracts is the only mechanism available for steady employment of union members other than the guarantee of superior work accomplished on time. State government does the same thing with tax credits, variances, and other incentives used to attract or keep businesses in Missouri.

Testifying against the bill were Fred Weber, Inc.; St. Louis Area Contractors; Missouri State Building Trades; Carpenters' District Council of Kansas City; Carpenters' District Council of Greater St. Louis; Missouri Laborers; and Missouri AFL-CIO.

Roland Tackett, Legislative Analyst