

HB 1498 -- FAIRNESS IN PUBLIC CONSTRUCTION ACT

SPONSOR: Dethrow

COMMITTEE ACTION: Voted "do pass" by the Committee on Workforce Development and Workplace Safety by a vote of 7 to 5.

This bill establishes the Fairness in Public Construction Act to fulfill the state's proprietary objectives by maintaining and promoting economical, nondiscriminatory, and efficient expenditures of public funds in connection with publicly funded or assisted construction projects.

State and political agencies cannot impose certain labor requirements as conditions for performing public works projects. Public entities procuring products or services or entering into contracts for the manufacture of public works must ensure that their agreements do not bind the other parties to an agreement with a labor organization. Public entities cannot discriminate against other parties who refuse to adhere to agreements with labor organizations on the same or related projects. Public entities will not require other parties to enforce any agreement that requires its employees to become a member, pay dues, or pay fees to a labor organization in excess of costs already paid. Any interested party has standing to challenge agreements that violate these provisions.

Any employer is prohibited from directly or indirectly receiving from another project any wage subsidies, bid supplements, or rebates from any employee or labor organization for a construction project or from any third party to subsidize labor costs on a public works construction project. Any contractor or subcontractor who violates these provisions will be required to pay the public body twice the amount of the subsidy received.

FISCAL NOTE: No impact on state funds in FY 2007, FY 2008, and FY 2009.

PROPONENTS: Supporters say that the public interest is not served if the best contract is not selected because of unfair contracting laws. Job targeting by certain contractors perpetuates an unfair contract bidding practice that discriminates against open shop contractors.

Testifying for the bill were Representative Dethrow; Karl Sigler, Enterprise Interiors; Associated Industries of Missouri; Associated Builders and Contractors; Missouri Chamber of Commerce and Industry; Independent Electrical Contractors Association of Greater St. Louis; and National Federation of Independent Business.

OPPONENTS: Those who oppose the bill say that the current contracting system should be fixed rather than dismantled and scraped. Union laborers median income level is stable as opposed to most other laborers whose incomes have declined.

Testifying against the bill were St. Louis Area Contractors; Fred Weber, Incorporated; Missouri AFL-CIO; and Plumbers and Pipefitters Local #562.

Roland Tackett, Legislative Analyst