

HCS HB 78 -- PREVAILING WAGE LAWS

SPONSOR: McGaugh

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Economic Development by a vote of 7 to 5.

This bill allows any public body to opt out of the prevailing wage requirements for the construction of public works when the contract awarded is \$1 million or less. Additionally, any public body within a third or fourth class county may opt out of state prevailing wage requirements regardless of the amount of the contract awarded.

Additionally, the bill limits the prevailing wage for public works performed in second, third, and fourth class counties to 60% of the federally set prevailing wage for public works.

This bill also establishes the "School Construction Act" which exempts construction and maintenance work done for school districts and public institutions of higher education from prevailing wage requirements upon a majority vote of the respective governing board. The school district or public institution of higher education must notify the Division of Labor Standards within the Department of Labor and Industrial Relations of the approved exemption. If a school district or public institution of higher education elects to not exempt itself from prevailing wage requirements then the prevailing wage for associated public works shall be 60% of the federally set prevailing wage for public works.

This bill is similar to HB 1700 (2016) and HB 69 (2015), and contains provisions similar to HB 79 and HB 133 (2017).

PROPOSERS: Supporters say that prevailing wage discourages local workforces from engaging in public project bids, and unreasonably drive up construction costs. This bill would foster competitive bidding as well help stem the advantages that urban contractors have over rural ones.

Testifying for the bill were Representative McGaugh; Marlon Collins, Cedar County; City of Nevada; Missouri Chamber of Commerce and Industry; Missouri Association of Municipal Utilities; Missouri School Board Association; Missouri Municipal League; and Nelson Heil, Carroll County Missouri.

OPPOSERS: Those who oppose the bill say that this bill would advantage out-of-state contract bidders over those in Missouri, that the prevailing wage in rural areas would lower if local contractors would only report their wages, and that prevailing wage

does not necessarily increase construction costs.

Testifying against the bill were Alise Martiny, Kansas City Building Trades Council; St. Louis NECA; Edward J. Twehous, Associated General Contractors of Missouri; Kevin King, Roofers Local #20; Plumbing Industry Council; Sheet Metal, Air Conditioning Contractors National Association (SMACNA) St.Louis; Missouri Association of Plumbing, Heating, and Cooling Contractors; Site Improvement Association; Walter Bazan, American Subcontractors Association; Louie W Brinkoetter Jr; David C. Hudson, Plumbers And Gas Fitters; Bob Looman, Mechanical Contractors Association; Dennis Corrigan, Corrigan Company Mechanical; and Dennis Palmer, Coastal Electric.