



MISSOURI SENATE

DIVISION OF RESEARCH

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TO: Senator Schatz

FROM: Scott Svagera, Staff Attorney

DATE: May 17, 2018

RE: SS/HCS/HBs 1729, 1621, & 1436 - Prevailing Wage

Per your request, please find attached a Senate Substitute for HCS/HBs 1729, 1621, & 1436 relating to public contracts.

This Senate Substitute differs from the House version in that it removes the total repeal of prevailing wage and inserts the modifications described below.

Summary

This act modifies several provisions relating to the prevailing hourly rate of wages required to be paid workers on public works projects.

APPLICABILITY AND DETERMINATION OF WAGE RATES

(Sections 290.220, 290.230, 290.257, and 290.262)

Under current law, no less than the prevailing hourly rate of wages shall be paid to all persons employed by or on behalf of any public body engaged in public works. This act modifies that process as follows:

- If there are 1,000 or more reportable hours for any particular occupational title within a locality, workers engaged in that occupational title in such locality shall be paid the prevailing wage rate, which is equal to the weighted average wage. A formula for determining the weighted average wage is included in the act;
- If there are not 1,000 or more reportable hours for any particular occupational title within a locality, workers engaged in that occupational title in such locality shall be paid the public works contracting minimum wage, which shall be equal to 120% of the average hourly wage in a particular locality as determined by the Missouri Economic Research and Information Center.

The act enumerates and limits the types of occupational titles that are entitled to the wage rate requirements.

The wage requirements of this act shall only apply to the construction of public works for which either the engineer's estimate or the bid accepted by the public body for the total project cost is more than \$75,000.

The act further stipulates that public bodies may not divide a project into multiple contracts for the purpose of lowering the total project cost below \$75,000.

The act provides that all work performed on a Sunday or a holiday shall be paid at twice the required wage rate. Additionally, all overtime work performed shall be paid at one and one-half the required wage rate.

The act requires the Department of Labor and Industrial Relations to issue an annual wage order no later than July 1, 2019, and July 1 of each successive year. The Department shall make an initial determination of the wage order by March 10, 2019, and March 10 of successive years.

The wage order shall contain the determinations of the prevailing wage rate for each occupational title in a locality and the public works contracting minimum wage for each locality. In determining the prevailing wage rate of each occupational title, the Department shall consider information submitted regarding wage rates for construction projects that occurred during the year preceding the impending wage order, provided that wage rates for entry-level workers and federally-registered apprentices shall not be considered.

ENTRY-LEVEL WORKERS AND APPRENTICES (Section 290.235)

Employers are permitted to utilize entry-level workers and federally-registered apprentices for the purpose of on-the-job training. On-the-job training workers shall be paid at a rate equal to fifty percent of the applicable wage rate for a journeyman worker under the appropriate occupational title.

Employers may not employ more entry-level workers and federally-registered apprentices, in the aggregate, than the total number of journeyman workers on a public works project.

COMPLAINTS FOR VIOLATIONS (Sections 290.240, 290.250, 290.330)

The act stipulates that complaints regarding any violation of the wage requirements of this act may only be filed by one of the

following interested parties:

- Any decision-making public servant for a public body for which a public works project is being performed, if the complaint is against a contractor or subcontractor;
- Any contractor, if the complaint is against his or her subcontractor for work performed on behalf of a public body;
- Any subcontractor, if the complaint is against his or her contractor for work performed on behalf of a public body; and
- The employee whose rights are alleged to have been violated.

This act contains provisions that are similar to SB 927 (2018), HB 1926 (2018).

Please contact me if I may be of further assistance.