

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

House Bill 2372

**FISCAL
NOTE**

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[Introduced February 13, 2017; Referred
to the Committee on Industry and Labor then the
Judiciary.]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
 2 designated §21-5A- 1, §21-5A-2, §21-5A-3, §21-5A-4, §21-5A-5, §21-5A-6, §21-5A-7,
 3 §21-5A-8 and §21-5A-9, all relating to reestablishing prevailing wages for certain state
 4 government contracts; declaring policy; defining terms; requiring contractors to ascertain
 5 rates and to include rates in contract specifications; requiring annual determinations of
 6 prevailing wage rates; establishing procedures to file objections to prevailing wage rate
 7 determinations; providing for hearings, judicial review and appeal; requiring mandatory
 8 provisions in contracts and sub-contracts; providing for posting of rates and record-
 9 keeping; establishing criminal penalties for violations of the act; and limiting the scope of
 10 the law to post-enactment contracts.

Be it enacted by the Legislature of West Virginia:

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new
 2 article, designated §21-5A-1, §21-5A-2, §21-5A-3, §21-5A-4, §21-5A-5, §21-5A-6, §21-5A-7, §21-
 3 5A- 8 and §21-5A-9, all to read as follows:

ARTICLE 5A. WAGES FOR CONSTRUCTION OF PUBLIC IMPROVEMENTS.

§21-5A-1. Definitions.

1 (1) The term "public authority," as used in this article, shall mean any officer, board or
 2 commission or other agency of the State of West Virginia, or any political subdivision thereof,
 3 authorized by law to enter into a contract for the construction of a public improvement, including
 4 any institution supported, in whole or in part, by public funds of the State of West Virginia or its
 5 political subdivisions, and this article shall apply to expenditures of such institutions made, in
 6 whole or in part, from such public funds.

7 (2) The term "construction," as used in this article, shall mean any construction,
 8 reconstruction, improvement, enlargement, painting, decorating, or repair of any public
 9 improvement let to contract. The term "construction" shall not be construed to include temporary
 10 or emergency repairs.

11 (3) The term "locality" means the county where the construction is to be performed, except
12 that if there is not available in the county a sufficient number of competent skilled laborers,
13 workmen and mechanics to perform such construction efficiently and properly, and may include
14 one or more counties in this state adjacent to the one in which the construction is to be performed
15 and from which such skilled laborers, workmen and mechanics may be obtained in sufficient
16 numbers to perform the construction. With respect to construction of public improvements with
17 the state road commission, "locality" may be construed to include one or more counties in this
18 state adjacent to the one in which the construction or public improvement is to be performed and
19 from which skilled laborers, workmen and mechanics may be accessible for work on such
20 construction on public improvements.

21 (4) The term "public improvement," as used in this article, shall include all buildings, roads,
22 highways, bridges, streets, alleys, sewers, ditches, sewage disposal plants, waterworks, airports,
23 and all other structures upon which construction may be let to contract by the State of West
24 Virginia or any political subdivision thereof.

25 (5) The term "construction industry," as used in this article, shall mean that industry which
26 is composed of employees and employers engaged in construction of buildings, roads, highways,
27 bridges, streets, alleys, sewers, ditches, sewage disposal plants, waterworks, airports, and all
28 other structures or works whether private or public on which construction work as defined in
29 subsection (2) of this section is performed.

30 (6) The term "board" shall mean the minimum wage board as constituted in this article.

31 (7) The term "employee" for the purposes of this article, shall not be construed to conclude
32 such persons as are employed or hired by the public authority on a regular or temporary basis or
33 engaged in making temporary or emergency repairs.

§21-5A-2. Policy declared.

1 It is hereby declared to be the policy of the State of West Virginia that a wage of no less
2 than the prevailing hourly rate of wages for work of a similar character in the locality in this state

3 in which the construction is performed, shall be paid to all workmen employed by or on behalf of
4 any public authority engaged in the construction of public improvements.

§21-5A-3. Fair minimum rate of wages; determination; filing; schedule of wages part of specifications.

1 (a) Any public authority authorized to let to contract the construction of a public
2 improvement, shall, before advertising for bids for the construction thereof, ascertain from the
3 State Commissioner of Labor, the fair minimum rate of wages, including fair minimum overtime
4 and holiday pay, to be paid by the successful bidder to the laborers, workmen or mechanics in
5 the various branches or classes of the construction to be performed; and such schedule of wages
6 shall be made a part of the specifications for the construction and shall be published in an
7 electronic or other medium and incorporated in the bidding blanks by reference when approved
8 by the Commissioner of Labor where the construction is to be performed by contract.

9 (b) The "fair minimum rate of wages," for the intents and purposes of this article, shall be
10 the rate of wages paid in the locality in this state as hereinbefore defined to the majority of
11 workmen, laborers or mechanics in the same trade or occupation in the construction industry. The
12 Commissioner of Labor or a member of his or her department designated by him or her shall
13 assemble the data as to fair minimum wage rates and shall file wage rates. Rates shall be
14 established and filed as hereinafter provided on January 1 of each year. These rates shall prevail
15 as the minimum wage rate on all public improvements on which bids are asked during the year
16 beginning with the date when such new rates are filed and until the new rates are filed, the rates
17 for the preceding year shall remain in effect: *Provided*, That such rates shall not remain in effect
18 for a period longer than fifteen months from the date they are published, but, this provision shall
19 not affect construction of a public improvement then underway.

§21-5A-4. Prevailing wages established at regular intervals; how determined; filing; objections to determination; hearing; final determination; judicial review.

1 (a) The Department of Labor, from time to time, shall investigate and determine the

2 prevailing hourly rate of wages in the localities in this state. Determinations thereof shall be made
3 annually on January 1 of each year and shall remain in effect during the successive year:
4 Provided, That such rates shall not remain in effect for a period longer than fifteen months from
5 the date they are published.

6 In determining such prevailing rates, the Department of Labor may ascertain and consider
7 the applicable wage rates established by collective bargaining agreements, if any, and such rates
8 as are paid generally within the locality in this state where the construction of the public
9 improvement is to be performed.

10 (b) A copy of the determination so made, certified by the secretary of the board, shall be
11 filed immediately with the Secretary of State and with the Department of Labor. Copies shall be
12 supplied to all persons requesting same within ten days after such filing.

13 (c) At any time within fifteen days after the certified copies of the determination have been
14 filed with the Secretary of State and the Department of Labor, any person who may be affected
15 thereby may object in writing to the determination or such part thereof as he deems objectionable
16 by filing a written notice with the Department of Labor stating the specific grounds of the objection.

17 (d) Within ten days of the receipt of the objection, the Department of Labor shall set a date
18 for a hearing on the objection. The date for the hearing shall be within thirty days after the receipt
19 of the objection. Written notice of the time and place of the hearing shall be given to the objectors
20 at least ten days prior to the date set for the hearing and at a time so as to enable the objectors
21 to be present.

22 (e) The Department of Labor at its discretion may hear such written objection separately
23 or consolidate for hearing any two or more written objections. At the hearing the Department of
24 Labor shall introduce into evidence the results of the investigation it instituted and such other facts
25 which were considered at the time of the original determination of the fair minimum prevailing
26 hourly rate including the sources which formed the basis for its determination. The Department of
27 Labor or any objectors thereafter may introduce such further evidence as may be material to the

28 issues.

29 (f) Within ten days of the conclusion of the hearing, the department must rule on the written
30 objections and make such final determination as shall be established by a preponderance of the
31 evidence. Immediately upon such final determination, the Department of Labor shall file a certified
32 copy of its final determination with the Secretary of State and with the Department of Labor and
33 shall serve a copy of the final determination on all parties to the proceedings by personal service
34 or by registered mail.

35 (g) Any person affected by the final determination of the Department of Labor, whether or
36 not such person participated in the proceedings resulting in such final determination, may appeal
37 to the board from the final determination of the Department of Labor within ten days from the filing
38 of the copy of the final determination with the Secretary of State. The board shall hear the appeal
39 within twenty days from the receipt of notice of appeal. The hearing by the board shall be held in
40 Charleston. The hearing by the board shall be upon the record compiled in the hearing before the
41 Department of Labor and the board shall have the authority to affirm, reverse, amend, or remand
42 for further evidence, the final determination of the Department of Labor. The board shall render
43 its decision within ten days after the conclusion of its hearing.

44 (h) Any party to the proceeding before the board or any person affected thereby may within
45 thirty days after receipt of the notice of its decision, appeal the board's decision to the circuit court
46 of the county wherever the construction of a public improvement is to be performed, which shall
47 consider the case on the record made before the Commissioner of Labor and before the board.
48 The decision of such circuit court may be appealed to the Supreme Court of Appeals of West
49 Virginia by any party to the proceedings or by any person affected thereby in the manner provided
50 by law for appeals in civil actions.

51 (i) Pending the decision on appeal, the rates for the preceding year shall remain in effect.

**§21-5A-5. Contracts to contain provisions relative to minimum wages to be paid;
exceptions.**

1 In all cases where any public authority has ascertained a fair minimum rate or rates of
2 wages as herein provided, and construction of a public improvement is let to contract, the contract
3 executed between the public authority and the successful bidder shall contain a provision
4 requiring the successful bidder and all his or her subcontractors to pay a rate or rates of wages
5 which shall not be less than the fair minimum rate or rates of wages as provided by this article.

§21-5A-6. Wage rates to be kept posted.

1 A clearly legible statement of all fair minimum wage rates to be paid the several classes
2 of skilled laborers, workmen and mechanics employed on the construction of the public
3 improvement shall be kept posted in a prominent and easily accessible place at the site thereof
4 by each contractor and subcontractor subject to the provisions of this article.

§21-5A-7. Wage records to be kept by contractor, subcontractor, etc.; contents; open to inspection.

1 The contractor and each subcontractor or the officer of the public authority in charge of
2 the construction of a public improvement shall keep an accurate record showing the names and
3 occupation of all such skilled laborers, workmen and mechanics employed by them, in connection
4 with the construction on the public improvement and showing also the actual wages paid to each
5 of the skilled laborers, workmen and mechanics, which record shall be open at all reasonable
6 hours to the inspection of the Department of Labor and the public authority which let the contract,
7 its officers and agents. It shall not be necessary to preserve such record for a period longer than
8 three years after the termination of the contract.

§21-5A-8. Penalties for violation of article.

1 (a) Any contractor or subcontractor who willfully and knowingly violates any provision of
2 this article shall be fined not less than \$50 nor more than \$250.

3 (b) Any skilled laborer, workman or mechanic who is engaged in construction on a public
4 improvement let to contract, who is paid less than the posted fair minimum rate of wages
5 applicable thereto, may recover from such contractor or subcontractor the difference between the

6 same and the posted fair minimum rate of wages, and in addition thereto, a penalty equal in
7 amount to such difference, and reasonable attorney fees. The venue of said action shall be in the
8 county where the work is performed: *Provided*, That an honest mistake or error shall not be
9 construed as a basis for recovery under this subsection.

10 (c) Where skilled laborers, workmen and mechanics are employed in construction on a
11 public improvement and their posted rate of wages has been determined as provided by this
12 article, it shall be unlawful for any person, for himself or any one of them, to request, demand or
13 receive, either before or after such skilled laborers, workmen and mechanics are employed in
14 construction on a public improvement, that they or any one of them pay over money or other thing
15 of value or pay back, return, donate, contribute or give any part or all of their said wages, or thing
16 of value, to any person, upon the statement, representation or understanding that failure to comply
17 with such request or demand will prevent them or any one of them from procuring or retaining
18 employment; and any person who directly or indirectly aids, requests or authorizes any other
19 person to violate any of the provisions of this section shall be guilty of a misdemeanor and, fined
20 not less than \$50 and not more than \$250.

§21-5A-9. Existing contracts.

1 This article shall apply only to contracts for construction on public improvements let after
2 the effective date of this article, and to construction on public improvements for which there has
3 been determined the fair minimum wage rates as provided in this article, and such determination
4 has not been appealed from as may be provided by this article.

NOTE: The purpose of this bill is to restore prevailing wages for certain government contracts to state law. This bill reinstates the Prevailing Wage Law that was in effect until its repeal in 2016.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.