

BILL ANALYSIS

Senate Research Center
77R4122 JRD-D

S.B. 464
By: Shapleigh
State Affairs
3/14/2001
As Filed

DIGEST AND PURPOSE

Employees hired by state government contractors may earn different wages for an identical service depending on the region where the work is performed. For instance, a construction worker in a Strategic Investment Area (as defined by S.B. 441, 76th legislative session) earns less money for the same work performed in a more affluent area. Currently, to determine the prevailing per diem wage rate to be paid for the construction of a public work, the state either conducts a survey of the wages received by workers employed on similar projects in the same political subdivision of the state, or uses the prevailing wage rate as determined by the United States Department of Labor in accordance with the Davis-Beacon Act. The state can apply either of these two wage rates in deciding what to pay contract workers. As proposed, S.B. 464 amends the Government Code to equalize pay for similar work performed in different parts of the state. The bill directs the state to use the higher of three prevailing wage rates: (1) the wages paid to workers employed on similar projects in the same political subdivision of the state, (2) the wages paid for similar work statewide, or (3) the prevailing wage rate as determined by the Davis-Beacon Act.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2258.022, Government Code, by requiring a public body awarding a contract for public work to determine the general prevailing rate of per diem wages in the locality in which the public work is to be performed for each craft or type of worker needed to execute the contract and the prevailing rate for legal holiday and overtime work. The public body is to make the determination by doing the following:

- conducting a survey of wages received by classes of workers employed on projects of a character similar to the contract work both statewide and in the political subdivision of the state in which the public work is to be performed;
- considering the prevailing wage rate as determined by the United States Department of Labor (USDOL) in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a et seq.), but only if the survey used to determine the rate was conducted within a three-year period preceding the date the public body calls for bids for the public work; and
- determining the rate in the locality based on the higher of the rate determined from the statewide survey, the rate determined from the survey conducted in the political subdivision, and if applicable, the rate determined by the USDOL.

Makes conforming changes.

SECTION 2. Effective date: September 1, 2001.

Makes application of the Act prospective.

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