

## **BILL ANALYSIS**

Senate Research Center  
80R8569 ABC-D

H.B. 2625  
By: Murphy (Hegar)  
Business & Commerce  
5/9/2007  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current statute allows political subdivisions to use the locally adjusted Department of Labor Davis-Bacon wage rates in lieu of conducting their own surveys, provided these wage rates were determined within a three-year period of bidding on a public works project. However, the Davis-Bacon wage rates are set by the federal government and are not always adjusted in a timely manner. This presents a problem for a political subdivision that has chosen to use them. Furthermore, when a political subdivision accepts federal funds directly, or through the state, they are required to use the locally adjusted Davis-Bacon wage rates. If a political subdivision were to accept federal funds, and as a condition, use locally adjusted Davis-Bacon wage rates that are over three years old, the subdivision would then be in violation of state law.

The cost for a political subdivision to determine its wage rate can be quite high. For example, for Harris County to conduct its own wage rate survey it would cost approximately \$500,000.

H.B. 2625 would solve this problem that political subdivisions are faced with, under current law, by allowing political subdivisions to use the most current Davis-Bacon wage rates available for their area. The change in law would lead to consistency between state and federal law and would also potentially save local governments thousands of dollars in survey costs.

### **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(a), Government Code, to delete an existing condition providing that the survey used to determine the prevailing wage rate as determined by the United States Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a et seq.), and its subsequent amendments, be conducted within a three-year period preceding the date the public body calls for bids for the public works in order for this rate to be used in determining the prevailing wage rate under the requirement for the public body to determine the general prevailing rate of per diem wages in the locality in which a contract for a public work awarded by a political subdivision of the state 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.

SECTION 2. Effective date: September 1, 2007.