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EMERGENCY CERTIFICATION

HB-7007

AN ACT CONCERNING THE CODIFICATION OF PREVAILING
WAGE CONTRACT RATES.

OFA Fiscal Note

State Impact: See Below

Municipal Impact: See Below

Explanation

The bill modifies the method by which the Department of Labor (DOL) is required to determine the prevailing wage for certain trades and occupations for building, heavy and highway projects. It allows DOL to use wage rates set in certain collective bargaining agreements and eliminates the option for DOL to adopt the rates set by the United States Department of Labor (USDOL), except when there is no collective bargaining agreement for a trade or occupation in the town.

It is the current practice of DOL to adopt prevailing wage rates set by USDOL.¹ Any change in the cost of state and municipal contracts would depend on how the wage rates determined through the method used by DOL differ from USDOL rates.

In FY 20, there were 1,000 state, municipal, and private construction projects subject to prevailing wage requirements.

¹ Current law allows the labor commissioner to set prevailing wage rates in one of two ways: (1) through holding a hearing to determine the prevailing wage rates on any public work within a specified area and establishing classifications of labor, or (2) by adopting the federally-determined prevailing wage rates.

The bill also results in a potential General Fund cost to DOL, the amount of which is dependent on the method the agency chooses to determine prevailing wage rates, as the agency would no longer be allowed to utilize federally-determined rates except in limited circumstances.

The Out Years

State Impact: See Above

Municipal Impact: See Above

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