

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 23-175—sSB 1123

Labor and Public Employees Committee

AN ACT AMENDING CODIFICATION OF PREVAILING WAGE CONTRACT RATES

SUMMARY: This act changes how residential construction rates are set under the law requiring that prevailing wages be paid on public works projects that meet the prevailing wage cost thresholds. Under prior law, the labor commissioner set the residential construction rates for prevailing wage projects by adopting the applicable wage rates set by the federal labor secretary. Under the act, she must instead use the rates set in the collective bargaining agreements or understandings covering the same work in the same trade or occupation in the town where the project is being done. This is the existing method used for determining prevailing wage rates for the three other categories of public building projects (i.e., building, heavy, and highway projects) under the prevailing wage law.

Under the federal prevailing wage guidelines, residential projects refer to either single- or multi-family housing or dormitories of no more than four stories.

The prevailing wage law requires contractors on public works projects to at least pay the prevailing hourly wage and benefits to all eligible workers on the project. The requirement applies to new construction projects of \$1 million or more and rehabilitation or repair projects of \$100,000 or more. The act defines “public work project” to mean the construction, reconstruction, alteration, remodeling, repair, or demolition of any public building or any other public works by a public entity.

The act also makes conforming changes.

EFFECTIVE DATE: July 1, 2023

WAGE RATES AND COLLECTIVE BARGAINING AGREEMENTS

In aligning the prevailing wage setting method for residential projects with building, heavy, and highway projects, the act also applies two related provisions to residential construction projects. First, for each trade or occupation with more than one collective bargaining agreement in effect for the town where the project is being constructed, the collective bargaining agreement of historical jurisdiction must be used. (The law does not define “historical jurisdiction” in this context.) Second, in situations where there is no collective bargaining agreement in effect for the town where the project is located, the labor commissioner must adopt the applicable wage rates set by the federal labor secretary. These requirements already apply to building, heavy, and highway projects.