

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 111
 (S) Publish Date: 3/6/03

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
 Title: An Act relating to the submission of payroll BRU: Labor Standards and Safety
information by contractors and subcontractors Component: Wage and Hour
 Sponsor: _____
 Requester: Governor Component Number: 345

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (Gen Fund 1004)	1,150.0	1,150.0	1,150.0	1,150.0	1,150.0	1,150.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would amend AS 36.05.040 to require weekly submission of certified payrolls to the contracting agency rather than to DLWD, and we propose the addition of a new section under AS 36.05.045 to institute a reporting requirement to DLWD at the beginning and end of a project only. In addition, DLWD proposes to institute two new fees. This proposal is modeled after a similar plan in the State of Washington.

(Continued on second page.)

Prepared by: Hali Denton, Acting Director Phone: 465-4855
 Division: Labor Standards & Safety Date/Time: 3/5/03 10:17 AM
 Approved by: Greg O'Claray, Commissioner Date: 03/05/03
 Agency: Department of Labor and Workforce Development

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

**STATE OF ALASKA
2003 LEGISLATIVE SESSION**

BILL NO. SB 111 FN #1

ANALYSIS: (continued)

Instead of the weekly submission of certified payrolls to the department, contractors will submit an affidavit of compliance at the beginning and at the end of a project certifying compliance with prevailing wage laws. Submission of each of these affidavits will include the payment of a \$100.00 fee. The contractor will continue the current practice of submitting payrolls to the contracting agency.

This will eliminate the duplicate volume of paper that is currently processed through the DLWD certified payroll program and also provided to the contracting agency. It will also allow the elimination of the Wage and Hour technician position that currently files the payrolls. In the event of a prevailing wage complaint, the department will obtain the certified payrolls from the contracting agency for audit purposes. It is anticipated that enforcement activity levels will remain the same.

Based on our estimate of 2,300 projects with an average of 5 contractors per project, revenue is projected to be about \$1,150,000. Our proposal is to begin collecting the fees July 1, 2003.