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Referred: State Affairs,
Judiciary and Finance

1 IN THE HOUSE

BY HERRMANN AND WALLIS

2

HOUSE BILL NO. 645

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to prevailing wages for public
7 construction contracts; and providing for an effec-
8 tive date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. FINDINGS. The legislature finds that

11 (1) the current system for determining the prevailing wage in a
12 region of the state does not always reflect the actual wage rates paid in
13 each community within that region;

14 (2) as revenue declines, there is less money to fund capital
15 projects but communities' needs for those projects do not decline;

16 (3) communities are willing to pay fair wage rates but cannot
17 afford to pay a wage higher than the actual wage rates for that community;

18 (4) it is therefore necessary to devise cost-saving measures to
19 enable communities to complete capital projects with less money.

20 * Sec. 2. AS 36.05.010 is amended to read:

21 Sec. 36.05.010. WAGE RATES ON PUBLIC CONSTRUCTION. A contrac-
22 tor or subcontractor who performs work on public construction in the
23 state, as defined by AS 36.95.010(3), shall pay not less than the
24 current prevailing rate of wages for work of a similar nature in the
25 region or zone in which the work is done. The current prevailing rate
26 of wages for each pay period is that contained in the latest deter-
27 mination of prevailing rate of wages issued by the Department of Labor
28 before the end of the pay period.

29 * Sec. 3. AS 36.05 is amended by adding a new section to read:

1 Sec. 36.05.025. RELATED CLASSES OF WORKERS. The department
2 shall group together several related classes of workers in a region or
3 zone if there are insufficient numbers of workers in a single class to
4 support the statistical base for calculating the prevailing wage for
5 the class.

6 * Sec. 4. AS 36.05.030(a) is amended to read:

7 (a) The Department of Labor shall [HAS THE AUTHORITY TO] deter-
8 mine the prevailing wage for the regions of the state, or for a zone
9 under AS 36.05.032, and whether or not this chapter is being violated.
10 The department may when necessary for the enforcement of this chapter

11 (1) conduct investigations and hold hearings concerning
12 wages;

13 (2) compel the attendance of witnesses and the production
14 of books, papers and documents;

15 (3) adopt [PROMULGATE] regulations.

16 * Sec. 5. AS 36.05.030 is amended by adding new subsections to read:

17 (c) The department shall determine annually the prevailing wages
18 in the regions of the state based on findings entered under (d) of
19 this section and other relevant information. The regions are

20 (1) that part of the state that includes latitude 63 de-
21 grees north and the territory to the north of that latitude;

22 (2) the territory of the state south of latitude 63 degrees
23 north.

24 (d) In calculating the prevailing wage rate for a region or
25 zone, the department shall enter written findings on

26 (1) the wage rate paid during the preceding 12 months to
27 local residents on projects funded by public revenue;

28 (2) the wage rates paid during the preceding 12 months to
29 local residents on projects funded other than by public revenue;

1 (3) the number of local residents available for employment
2 on a construction project who do not have employment;

3 (4) other information presented to the department for
4 consideration in establishing the prevailing wage.

5 (e) The department may not change the prevailing wage for a
6 locality more than once each twelve months.

7 * Sec. 6. AS 36.05 is amended by adding a new section to read:

8 Sec. 36.05.032. PREVAILING WAGES IN ZONES. (a) A municipality,
9 community, or private corporation may petition the department to
10 recalculate the prevailing wage in a region or to establish an area
11 within a region as a separate zone for purposes of calculating pre-
12 vailing wages. The department shall consider relevant information
13 submitted by the petitioner, enter written findings under AS 36.05.-
14 030(d), and shall rule on the petition within 30 days.

15 (b) A petition may be submitted jointly by two or more entities
16 entitled to petition under (a) of this section.

17 * Sec. 7. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).