LRB-2926/1 GMM:lmk:ch

2005 ASSEMBLY BILL 442

May 26, 2005 - Introduced by Joint Committee For Review of Administrative Rules. Referred to Committee on Labor.

AN ACT to amend 66.0903 (title), 66.0903 (1) (a), 66.0903 (1) (cm), 66.0903 (1) (g)

1., 66.0903 (1) (g) 2., 66.0903 (3), 66.0903 (4) (a) (intro.), 66.0903 (4) (b) (intro.),
66.0903 (8), 66.0903 (9) (c), 66.0903 (10) (a), 66.0903 (10) (b), 66.0903 (10) (d),
66.0903 (11) (a), 66.0903 (11) (b) 2., 66.0903 (11) (b) 3., 66.0903 (11) (b) 4.,
66.0903 (11) (b) 5., 66.0903 (11) (b) 6., 66.0903 (12) (a), 66.0903 (12) (b), 66.0903
(12) (d), 103.005 (12) (a), 103.49 (title), 103.49 (1) (a), 103.49 (1) (b), 103.49 (1)
(bg), 103.49 (1) (d) 1., 103.49 (1) (d) 2., 103.49 (2), 103.49 (2m) (a) (intro.), 103.49
(2m) (b) (intro.), 103.49 (3) (a), 103.49 (3) (am), 103.49 (3) (ar), 103.49 (3) (b),
103.49 (3) (c), 103.49 (4r) (c), 103.49 (5) (a), 103.49 (5) (b), 103.49 (6m) (b), 103.49
(6m) (c), 103.49 (6m) (d), 103.49 (6m) (e), 103.49 (6m) (f), 103.49 (7) (a), 103.49
(7) (b), 103.49 (7) (d), 103.50 (4m), 103.50 (7) (d), 103.50 (7) (e), 227.01 (13) (t),
229.8275 (title), 229.8275 (1), 946.15 (1), 946.15 (2), 946.15 (3) and 946.15 (4);
and to create 66.0903 (1) (cd), 66.0903 (1) (er), 103.49 (1) (bd) and 103.49 (1)
(br) of the statutes; relating to: the determination of prevailing wage rates and

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prevailing fringe benefit rates for workers employed on state or local projects of public works and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, certain laborers, workers, mechanics, and truck drivers employed on a state or local project of public works must be paid at the prevailing wage rate, which is defined as the hourly basic rate of pay, plus the hourly contribution for health insurance benefits, vacation benefits, pension benefits, and any other bona fide economic benefit (fringe benefits), paid for a majority of the hours worked in a person's trade or occupation in the area in which a public works project is located, except that if there is no rate at which a majority of the hours worked in a trade or occupation on projects in an area is paid, "prevailing wage rate" is defined as the average hourly basic rate of pay, weighted by the number of hours worked, plus the average hourly contribution for fringe benefits, weighted by the number of hours worked, paid for all hours worked at the hourly basic rate of pay of the highest-paid 51 percent of hours worked in the trade or occupation in the area. Currently, the Department of Workforce Development (DWD) must determine the prevailing wage rate for each trade or occupation commonly employed on projects of public works in each area of the state by January 1 of each year, that determination may also include the determination of future prevailing wage rates if those rates can be determined.

This bill deletes from the definition of "prevailing wage rate" the references to the hourly contribution for fringe benefits and instead creates a separate definition of "prevailing fringe benefit rate." As such, the bill requires DWD to make separate determinations of the prevailing wage rate and the prevailing fringe benefit rate and requires laborers, workers, mechanics, and truck drivers employed on a state or local project of public works who are covered under the prevailing wage law to be paid at the prevailing wage rate and at the prevailing fringe benefit rate. The bill defines the "prevailing fringe benefit rate" as the hourly contribution for fringe benefits paid for a majority of the hours worked in a person's trade or occupation in the area in which a public works project is located, except that if there is no rate at which a majority of the hours worked in the trade or occupation on projects in the area is paid, "prevailing fringe benefit rate" is defined as the average hourly contribution for fringe benefits, weighted by the number of hours worked, paid for all hours worked at the hourly contribution for fringe benefits of the highest-contribution 51 percent of hours worked in the trade or occupation on projects in the area.

This bill is introduced as required by s. 227.19 (5) (e), stats., in support of the objection by the Assembly Committee on Labor on October 26, 2004, and the objection of the Joint Committee for Review of Administrative Rules on April 27, 2005, to the issuance of Clearinghouse Rule 04–081 by DWD. The proposed rule required DWD to determine the prevailing wage rate by calculating the sum of the hourly basic rate of pay and the hourly contribution for fringe benefits, rather than making those calculations separately.

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

Section 1. 66.0903 (title) of the statutes is amended to read:

2 66.0903 (title) Municipal prevailing wage, fringe benefit, and hour scales.

SECTION 2. 66.0903 (1) (a) of the statutes is amended to read:

66.0903 (1) (a) "Area" means the county in which a proposed project that is subject to this section is located or, if the department determines that there is insufficient wage and fringe benefit data in that county, "area" means those counties that are contiguous to that county or, if the department determines that there is insufficient wage and fringe benefit data in those counties, "area" means those counties that are contiguous to those counties or, if the department determines that there is insufficient wage and fringe benefit data in those counties, "area" means the entire state or, if the department is requested to review a determination under sub. (3) (br), "area" means the city, village, or town in which a proposed project that is subject to this section is located.

Section 3. 66.0903 (1) (cd) of the statutes is created to read:

16 66.0903 (1) (cd) "Hourly contribution for fringe benefits" has the meaning given 17 in s. 103.49 (1) (bd).

SECTION 4. 66.0903 (1) (cm) of the statutes is amended to read:

66.0903 (1) (cm) "Insufficient wage <u>and fringe benefit</u> data" has the meaning given in s. 103.49 (1) (bg).

Section 5. 66.0903 (1) (er) of the statutes is created to read:

66.0903 (1) (er) 1. Except as provided in subd. 2., "prevailing fringe benefit rate" for any trade or occupation engaged in the erection, construction, remodeling, repairing, or demolition of any project of public works in any area means the hourly contribution for fringe benefits paid directly or indirectly for a majority of the hours worked in the trade or occupation on projects in the area.

2. If there is no rate at which a majority of the hours worked in the trade or occupation on projects in the area is paid, "prevailing fringe benefit rate" for any trade or occupation engaged in the erection, construction, remodeling, repairing, or demolition of any project of public works in any area means the average hourly contribution for fringe benefits, weighted by the number of hours worked, paid directly or indirectly for all hours worked at the hourly contribution for fringe benefits of the highest-contribution 51 percent of hours worked in that trade or occupation on projects in that area.

Section 6. 66.0903 (1) (g) 1. of the statutes is amended to read:

66.0903 (1) (g) 1. Except as provided in subd. 2., "prevailing wage rate" for any trade or occupation engaged in the erection, construction, remodeling, repairing, or demolition of any project of public works in any area means the hourly basic rate of pay, plus the hourly contribution for health insurance benefits, vacation benefits, pension benefits and any other bona fide economic benefit, paid directly or indirectly, for a majority of the hours worked in the trade or occupation on projects in the area.

SECTION 7. 66.0903 (1) (g) 2. of the statutes is amended to read:

66.0903 (1) (g) 2. If there is no rate at which a majority of the hours worked in the trade or occupation on projects in the area is paid, "prevailing wage rate" for any trade or occupation engaged in the erection, construction, remodeling, repairing, or demolition of any project of public works in any area means the average hourly basic

rate of pay, weighted by the number of hours worked, plus the average hourly contribution, weighted by the number of hours worked, for health insurance benefits, vacation benefits, pension benefits and any other bona fide economic benefit, paid directly or indirectly for all hours worked at the hourly basic rate of pay of the highest-paid 51% 51 percent of hours worked in that trade or occupation on projects in that area.

Section 8. 66.0903 (3) of the statutes is amended to read:

(am) A local governmental unit, before making a contract by direct negotiation or soliciting bids on a contract, for the erection, construction, remodeling, repairing, or demolition of any project of public works, including a highway, street, or bridge construction project, shall apply to the department to determine the prevailing wage rate and prevailing fringe benefit rate for each trade or occupation required in the work contemplated. The department shall conduct investigations and hold public hearings as necessary to define the trades or occupations that are commonly employed on projects that are subject to this section and to inform itself as to the prevailing wage rates and prevailing fringe benefit rates in all areas of the state for those trades or occupations, in order to determine the prevailing wage rate and prevailing fringe benefit rate for each trade or occupation. The department shall issue its determination within 30 days after receiving the request and shall file the determination with the requesting local governmental unit.

(ar) The department shall, by January 1 of each year, compile the prevailing wage rates and prevailing fringe benefit rates for each trade or occupation in each area. The compilation shall, in addition to the current prevailing wage rates and prevailing fringe benefit rates, include future prevailing wage rates and prevailing

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fringe benefit rates when those prevailing wage rates and prevailing fringe benefit rates can be determined for any trade or occupation in any area and shall specify the effective date of those future prevailing wage rates and prevailing fringe benefit rates. If a construction project extends into more than one area there shall be but one standard of prevailing wage rates and prevailing fringe benefit rates for the entire project.

- (av) In determining prevailing wage rates and prevailing fringe benefit rates under par. (am) or (ar), the department may not use data from projects that are subject to this section, s. 103.49, or 103.50 or 40 USC 276a 3141 to 3148 unless the department determines that there is insufficient wage and fringe benefit data in the area to determine those prevailing wage rates and prevailing fringe benefit rates, in which case the department may use data from projects that are subject to this section, s. 103.49, or 103.50 or 40 USC 276a 3141 to 3148.
- (bm) Any person may request a recalculation of any portion of an initial determination within 30 days after the initial determination date if the person submits evidence with the request showing that the prevailing wage rate or prevailing fringe benefit rate for any given trade or occupation included in the initial determination does not represent the prevailing wage rate or prevailing fringe benefit rate for that trade or occupation in the area. The evidence shall include wage rate or fringe benefit rate information reflecting work performed by persons working in the contested trade or occupation in the area during the current survey period. The department shall affirm or modify the initial determination within 15 days after the date on which the department receives the request for recalculation.
- (br) In addition to the recalculation under par. (bm), the local governmental unit that requested the determination under this subsection may request a review

of any portion of a determination within 30 days after the date of issuance of the determination if the local governmental unit submits evidence with the request showing that the prevailing wage rate or prevailing fringe benefit rate for any given trade or occupation included in the determination does not represent the prevailing wage rate or prevailing fringe benefit rate for that trade or occupation in the city, village, or town in which the proposed project is located. That evidence shall include wage rate or fringe benefit rate information for the contested trade or occupation on at least 3 similar projects located in the city, village, or town where the proposed project is located and on which some work has been performed during the current survey period and which were considered by the department in issuing its most recent compilation under par. (ar). The department shall affirm or modify the determination within 15 days after the date on which the department receives the request for review.

(dm) A reference to the prevailing wage rates and prevailing fringe benefit rates determined by the department or a local governmental unit exempted under sub. (6) and to the prevailing hours of labor shall be published in the notice issued for the purpose of securing bids for the project. If any contract or subcontract for a project of public works, including a highway, street, or bridge construction project, is entered into, the prevailing wage rates and prevailing fringe benefit rates determined by the department or exempted local governmental unit and the prevailing hours of labor shall be physically incorporated into and made a part of the contract or subcontract, except that for a minor subcontract, as determined by the department, the department shall prescribe by rule the method of notifying the minor subcontractor of the prevailing wage rates, prevailing fringe benefit rates, and prevailing hours of labor applicable to the minor subcontract. The prevailing wage

rates, prevailing fringe benefit rates, and prevailing hours of labor applicable to a contract or subcontract may not be changed during the time that the contract or subcontract is in force. No person performing the work described in sub. (4) may be paid less than the prevailing wage rate and prevailing fringe benefit rate in the same or most similar trade or occupation determined under this subsection; nor may he or she be permitted to work a greater number of hours per day or per week than the prevailing hours of labor, unless he or she is paid for all hours worked in excess of the prevailing hours of labor at a rate of at least 1.5 times his or her hourly basic rate of pay.

Section 9. 66.0903 (4) (a) (intro.) of the statutes is amended to read:

66.0903 (4) (a) (intro.) Subject to par. (b), all of the following employees shall be paid the prevailing wage rate and prevailing fringe benefit rate determined under sub. (3) and may not be permitted to work a greater number of hours per day or per week than the prevailing hours of labor, unless they are paid for all hours worked in excess of the prevailing hours of labor at a rate of at least 1.5 times their hourly basic rate of pay:

Section 10. 66.0903 (4) (b) (intro.) of the statutes is amended to read:

66.0903 (4) (b) (intro.) Notwithstanding par. (a) 1., a laborer, worker, mechanic, or truck driver who is regularly employed to process, manufacture, pick up, or deliver materials or products from a commercial establishment that has a fixed place of business from which the establishment regularly supplies processed or manufactured materials or products is not entitled to receive the prevailing wage rate or prevailing fringe benefit rate determined under sub. (3) or to receive at least 1.5 times his or her hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor unless any of the following applies:

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Section 11. 66.0903 (8) of the statutes is amended to read:

66.0903 (8) Posting. For the information of the employees working on the project, the prevailing wage rates and prevailing fringe benefit rates determined by the department or exempted local governmental unit, the prevailing hours of labor, and the provisions of subs. (10) (a) and (11) (a) shall be kept posted by the local governmental unit in at least one conspicuous and easily accessible place on the site of the project or, if there is no common site on the project, at the place normally used by the local governmental unit to post public notices.

Section 12. 66.0903 (9) (c) of the statutes is amended to read:

66.0903 (9) (c) Upon completion of a project and before receiving final payment for his or her work on the project, each contractor shall file with the local governmental unit authorizing the work an affidavit stating that the contractor has complied fully with the requirements of this section and that the contractor has received an affidavit under par. (b) from each of the contractor's agents and subcontractors. A local governmental unit may not authorize a final payment until the affidavit is filed in proper form and order. If a local governmental unit authorizes a final payment before an affidavit is filed in proper form and order or if the department determines, based on the greater weight of the credible evidence, that any person performing the work specified in sub. (4) has been or may have been paid less than the prevailing wage rate, less than the prevailing fringe benefit rate, or less than 1.5 times the hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor and requests that the local governmental unit withhold all or part of the final payment, but the local governmental unit fails to do so, the local governmental unit is liable for all back wages and fringe benefits payable up to the amount of the final payment.

SECTION 13. 66.0903 (10) (a) of the statutes is amended to read:

66.0903 (10) (a) Each contractor, subcontractor, or contractor's or subcontractor's agent performing work on a project that is subject to this section shall keep full and accurate records clearly indicating the name and trade or occupation of every person performing the work described in sub. (4) and an accurate record of the number of hours worked by each of those persons and the actual wages and fringe benefits paid for the hours worked.

Section 14. 66.0903 (10) (b) of the statutes is amended to read:

66.0903 (10) (b) The department or the contracting local governmental unit may demand and examine, and every contractor, subcontractor, and contractor's or subcontractor's agent shall keep, and furnish upon request by the department or local governmental unit, copies of payrolls and other records and information relating to the wages <u>and fringe benefits</u> paid to persons performing the work described in sub. (4) for work to which this section applies. The department may inspect records in the manner provided in ch. 103. Every contractor, subcontractor, or agent performing work on a project that is subject to this section is subject to the requirements of ch. 103 relating to the examination of records.

Section 15. 66.0903 (10) (d) of the statutes is amended to read:

66.0903 (10) (d) Section 103.005 (5) (f), (11), (12), and (13) applies to this section, except that s. 103.005 (12) (a) does not apply to any person who fails to provide any information to the department to assist the department in determining prevailing wage rates and prevailing fringe benefit rates under sub. (3) (am) or (ar). Section 111.322 (2m) applies to discharge and other discriminatory acts arising in connection with any proceeding under this section, including proceedings under sub. (11) (a).

Section 16. 66.0903 (11) (a) of the statutes is amended to read:

66.0903 (11) (a) Any contractor, subcontractor, or contractor's or subcontractor's agent who fails to pay the prevailing wage rate or prevailing fringe benefit rate determined by the department under sub. (3) or who pays less than 1.5 times the hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor is liable to any affected employee in the amount of his or her unpaid wages or his or her, unpaid fringe benefits, or unpaid overtime compensation and in an additional equal amount as liquidated damages. An action to recover the liability may be maintained in any court of competent jurisdiction by any employee for and in behalf of that employee and other employees similarly situated. No employee may be a party plaintiff to the action unless the employee consents in writing to become a party and the consent is filed in the court in which the action is brought. Notwithstanding s. 814.04 (1), the court shall, in addition to any judgment awarded to the plaintiff, allow reasonable attorney fees and costs to be paid by the defendant.

Section 17. 66.0903 (11) (b) 2. of the statutes is amended to read:

66.0903 (11) (b) 2. Whoever induces any person who seeks to be or is employed on any project that is subject to this section to give up, waive, or return any part of the wages or fringe benefits to which the person is entitled under the contract governing the project, or who reduces the hourly basic rate of pay or hourly contribution for fringe benefits normally paid to a person for work on a project that is not subject to this section during a week in which the person works both on a project that is subject to this section and on a project that is not subject to this section, by threat not to employ, by threat of dismissal from employment, or by any other means is guilty of an offense under s. 946.15 (1).

Section 18. 66.0903 (11) (b) 3. of the statutes is amended to read:

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66.0903 (11) (b) 3. Any person employed on a project that is subject to this section who knowingly permits a contractor, subcontractor, or contractor's or subcontractor's agent to pay him or her less than the prevailing wage rate or prevailing fringe benefit rate set forth in the contract governing the project, who gives up, waives, or returns any part of the compensation to which he or she is entitled under the contract, or who gives up, waives, or returns any part of the compensation to which he or she is normally entitled for work on a project that is not subject to this section during a week in which the person works both on a project that is subject to this section and on a project that is not subject to this section, is guilty of an offense under s. 946.15 (2).

Section 19. 66.0903 (11) (b) 4. of the statutes is amended to read:

66.0903 (11) (b) 4. Whoever induces any person who seeks to be or is employed on any project that is subject to this section to permit any part of the wages <u>or fringe</u> <u>benefits</u> to which the person is entitled under the contract governing the project to be deducted from the person's pay is guilty of an offense under s. 946.15 (3), unless the deduction would be permitted under 29 CFR 3.5 or 3.6 from a person who is working on a project that is subject to 40 USC <u>276e</u> <u>3141 to 3148</u>.

Section 20. 66.0903 (11) (b) 5. of the statutes is amended to read:

66.0903 (11) (b) 5. Any person employed on a project that is subject to this section who knowingly permits any part of the wages <u>or fringe benefits</u> to which he or she is entitled under the contract governing the project to be deducted from his or her pay is guilty of an offense under s. 946.15 (4), unless the deduction would be permitted under 29 CFR 3.5 or 3.6 from a person who is working on a project that is subject to 40 USC <u>276e</u> <u>3141 to 3148</u>.

Section 21. 66.0903 (11) (b) 6. of the statutes is amended to read:

66.0903 (11) (b) 6. Subdivision 1. does not apply to any person who fails to provide any information to the department to assist the department in determining prevailing wage rates or prevailing fringe benefit rates under sub. (3) (am) or (ar).

Section 22. 66.0903 (12) (a) of the statutes is amended to read:

66.0903 (12) (a) Except as provided under pars. (b) and (c), the department shall notify any local governmental unit applying for a determination under sub. (3) and any local governmental unit exempted under sub. (6) of the names of all persons whom the department has found to have failed to pay the prevailing wage rate or prevailing fringe benefit rate determined under sub. (3) or has found to have paid less than 1.5 times the hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor at any time in the preceding 3 years. The department shall include with each name the address of the person and shall specify when the person failed to pay the prevailing wage rate or prevailing fringe benefit rate and when the person paid less than 1.5 times the hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor. A local governmental unit may not award any contract to the person unless otherwise recommended by the department or unless 3 years have elapsed from the date the department issued its findings or the date of final determination by a court of competent jurisdiction, whichever is later.

Section 23. 66.0903 (12) (b) of the statutes is amended to read:

66.0903 (12) (b) The department may not include in a notification under par.

(a) the name of any person on the basis of having let work to a person whom the department has found to have failed to pay the prevailing wage rate or prevailing fringe benefit rate determined under sub. (3) or has found to have paid less than 1.5 times the hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor.

SECTION 24. 66.0903 (12) (d) of the statutes is amended to read:

66.0903 (12) (d) Any person submitting a bid or negotiating a contract on a project that is subject to this section shall, on the date <u>on which</u> the person submits the bid or negotiates the contract, identify any construction business in which the person, or a shareholder, officer, or partner of the person, if the person is a business, owns, or has owned at least a 25% <u>percent</u> interest on the date the person submits the bid or negotiates the contract or at any other time within 3 years preceding the date the person submits the bid or negotiates the contract, if the business has been found to have failed to pay the prevailing wage rate <u>or prevailing fringe benefit rate</u> determined under sub. (3) or to have paid less than 1.5 times the hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor.

Section 25. 103.005 (12) (a) of the statutes is amended to read:

103.005 (12) (a) If any employer, employee, owner, or other person violates chs. 103 to 106, or fails or refuses to perform any duty required under chs. 103 to 106, within the time prescribed by the department, for which no penalty has been specifically provided, or fails, neglects, or refuses to obey any lawful order given or made by the department or any judgment or decree made by any court in connection with chs. 103 to 106, for each such violation, failure, or refusal, the employer, employee, owner, or other person shall forfeit not less than \$10 nor more than \$100 for each offense. This paragraph does not apply to any person who fails to provide any information to the department to assist the department in determining prevailing wage rates, prevailing fringe benefit rates, or prevailing hours of labor under s. 103.49 (3) (a) or (am) or in determining prevailing wage rates or prevailing hours of labor under s. 103.50 (3) or (4).

Section 26. 103.49 (title) of the statutes is amended to read:

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SECTION 27. 103.49 (1) (a) of the statutes is amended to read:

103.49 (1) (a) "Area" means the county in which a proposed project that is subject to this section is located or, if the department determines that there is insufficient wage and fringe benefit data in that county, "area" means those counties that are contiguous to that county or, if the department determines that there is insufficient wage and fringe benefit data in those counties, "area" means those counties that are contiguous to those counties or, if the department determines that there is insufficient wage and fringe benefit data in those counties, "area" means the entire state or, if the department is requested to review a determination under sub. (3) (c), "area" means the city, village, or town in which a proposed project that is subject to this section is located.

SECTION 28. 103.49 (1) (b) of the statutes is amended to read:

103.49 (1) (b) "Hourly basic rate of pay" means the hourly wage paid to any employee, excluding any contributions or payments for health insurance benefits, vacation benefits, pension benefits and any other bona fide economic fringe benefits, whether paid directly or indirectly.

SECTION 29. 103.49 (1) (bd) of the statutes is created to read:

103.49 (1) (bd) "Hourly contribution for fringe benefits" means the hourly contribution or payment for health insurance benefits, vacation benefits, pension benefits, and any other bona fide economic benefits for any employee, whether paid directly or indirectly.

SECTION 30. 103.49 (1) (bg) of the statutes is amended to read:

103.49 (1) (bg) "Insufficient wage <u>and fringe benefit</u> data" means less than 500 hours of work performed in a particular trade or occupation on projects that are similar to a proposed project that is subject to this section.

Section 31. 103.49 (1) (br) of the statutes is created to read:

103.49 (1) (br) 1. Except as provided in subd. 2., "prevailing fringe benefit rate" for any trade or occupation engaged in the erection, construction, remodeling, repairing, or demolition of any project of public works in any area means the hourly contribution for fringe benefits paid directly or indirectly for a majority of the hours worked in the trade or occupation on projects in the area.

2. If there is no rate at which a majority of the hours worked in the trade or occupation on projects in the area is paid, "prevailing fringe benefit rate" for any trade or occupation engaged in the erection, construction, remodeling, repairing, or demolition of any project of public works in any area means the average hourly contribution for fringe benefits, weighted by the number of hours worked, paid directly or indirectly for all hours worked at the hourly contribution for fringe benefits of the highest-contribution 51 percent of hours worked in that trade or occupation on projects in that area.

Section 32. 103.49 (1) (d) 1. of the statutes is amended to read:

103.49 (1) (d) 1. Except as provided in subd. 2., "prevailing wage rate" for any trade or occupation engaged in the erection, construction, remodeling, repairing, or demolition of any project of public works in any area means the hourly basic rate of pay, plus the hourly contribution for health insurance benefits, vacation benefits, pension benefits and any other bona fide economic benefit, paid directly or indirectly for a majority of the hours worked in the trade or occupation on projects in the area.

Section 33. 103.49 (1) (d) 2. of the statutes is amended to read:

103.49 (1) (d) 2. If there is no rate at which a majority of the hours worked in the trade or occupation on projects in the area is paid, "prevailing wage rate" for any trade or occupation engaged in the erection, construction, remodeling, repairing, or demolition of any project of public works in any area means the average hourly basic rate of pay, weighted by the number of hours worked, plus the average hourly contribution, weighted by the number of hours worked, for health insurance benefits, vacation benefits, pension benefits and any other bona fide economic benefit, paid directly or indirectly for all hours worked at the hourly basic rate of pay of the highest-paid 51% 51 percent of hours worked in that trade or occupation on projects in that area.

Section 34. 103.49 (2) of the statutes is amended to read:

Any contract hereafter made for the erection, construction, remodeling, repairing, or demolition of any project of public works, except contracts for the construction or maintenance of public highways, streets, and bridges, to which the state or any state agency is a party shall contain a stipulation that no person performing the work described in sub. (2m) may be permitted to work a greater number of hours per day or per week than the prevailing hours of labor, except that any such the person may be permitted or required to work more than such the prevailing hours of labor per day and per week if he or she is paid for all hours worked in excess of the prevailing hours of labor at a rate of at least 1.5 times his or her hourly basic rate of pay; nor may he or she be paid less than the prevailing wage rate or prevailing fringe benefit rate determined under sub. (3) in the same or most similar trade or occupation in the prevailing wage rates and prevailing fringe benefit rates determined under sub. (3)

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and the prevailing hours of labor shall be published in the notice issued for the purpose of securing bids for the project. If any contract or subcontract for a project that is subject to this section is entered into, the prevailing wage rates and prevailing fringe benefit rates determined under sub. (3) and the prevailing hours of labor shall be physically incorporated into and made a part of the contract or subcontract, except that for a minor subcontract, as determined by the department, the department shall prescribe by rule the method of notifying the minor subcontractor of the prevailing wage rates, prevailing fringe benefit rates, and prevailing hours of labor applicable to the minor subcontract. The prevailing wage rates, prevailing fringe benefit rates, and prevailing hours of labor applicable to a contract or subcontract may not be changed during the time that the contract or subcontract is in force.

Section 35. 103.49 (2m) (a) (intro.) of the statutes is amended to read:

103.49 (2m) (a) (intro.) Subject to par. (b), all of the following employees shall be paid the prevailing wage rate and prevailing fringe benefit rate determined under sub. (3) and may not be permitted to work a greater number of hours per day or per week than the prevailing hours of labor, unless they are paid for all hours worked in excess of the prevailing hours of labor at a rate of at least 1.5 times their hourly basic rate of pay:

Section 36. 103.49 (2m) (b) (intro.) of the statutes is amended to read:

103.49 **(2m)** (b) (intro.) Notwithstanding par. (a) 1., a laborer, worker, mechanic, or truck driver who is regularly employed to process, manufacture, pick up, or deliver materials or products from a commercial establishment that has a fixed place of business from which the establishment regularly supplies processed or manufactured materials or products is not entitled to receive the prevailing wage rate or prevailing fringe benefit rate determined under sub. (3) or to receive at least

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1.5 times his or her hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor unless any of the following applies:

SECTION 37. 103.49 (3) (a) of the statutes is amended to read:

103.49 (3) (a) Before bids are asked for any work to which this section applies, the state agency having the authority to prescribe the specifications shall apply to the department to determine the prevailing wage rate and prevailing fringe benefit rate for each trade or occupation required in the work under contemplation in the area in which the work is to be done. The department shall conduct investigations and hold public hearings as necessary to define the trades or occupations that are commonly employed on projects that are subject to this section and to inform itself as to the prevailing wage rates and prevailing fringe benefit rates in all areas of the state for those trades or occupations, in order to determine the prevailing wage rate and prevailing fringe benefit rate for each trade or occupation. The department shall issue its determination within 30 days after receiving the request and shall file the determination with the requesting state agency. For the information of the employees working on the project, the prevailing wage rates and prevailing fringe benefit rates determined by the department, the prevailing hours of labor, and the provisions of subs. (2) and (6m) shall be kept posted by the state agency in at least one conspicuous and easily accessible place on the site of the project.

Section 38. 103.49 (3) (am) of the statutes is amended to read:

103.49 (3) (am) The department shall, by January 1 of each year, compile the prevailing wage rates and prevailing fringe benefit rates for each trade or occupation in each area. The compilation shall, in addition to the current prevailing wage rates and prevailing fringe benefit rates, include future prevailing wage rates and prevailing fringe benefit rates when those prevailing wage rates and prevailing

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fringe benefit rates can be determined for any trade or occupation in any area and shall specify the effective date of those future prevailing wage rates <u>and prevailing</u> fringe benefit rates. If a construction project extends into more than one area there shall be but one standard of prevailing wage rates <u>and prevailing fringe benefit rates</u> for the entire project.

Section 39. 103.49 (3) (ar) of the statutes is amended to read:

103.49 (3) (ar) In determining prevailing wage rates and prevailing fringe benefit rates under par. (a) or (am), the department may not use data from projects that are subject to this section, s. 66.0903, 103.50, or 229.8275 or 40 USC 276a 3141 to 3148 unless the department determines that there is insufficient wage and fringe benefit data in the area to determine those prevailing wage rates and prevailing fringe benefit rates, in which case the department may use data from projects that are subject to this section, s. 66.0903, 103.50, or 229.8275 or 40 USC 276a 3141 to 3148.

Section 40. 103.49 (3) (b) of the statutes is amended to read:

103.49 (3) (b) Any person may request a recalculation of any portion of an initial determination within 30 days after the initial determination date if the person submits evidence with the request showing that the prevailing wage rate or prevailing fringe benefit rate for any given trade or occupation included in the initial determination does not represent the prevailing wage rate or prevailing fringe benefit rate for that trade or occupation in the area. The evidence shall include wage rate or fringe benefit rate information reflecting work performed by persons working in the contested trade or occupation in the area during the current survey period. The department shall affirm or modify the initial determination within 15 days after the date on which the department receives the request for recalculation.

Section 41. 103.49 (3) (c) of the statutes is amended to read:

103.49 (3) (c) In addition to the recalculation under par. (b), the state agency that requested the determination under this subsection may request a review of any portion of a determination within 30 days after the date of issuance of the determination if the state agency submits evidence with the request showing that the prevailing wage rate or prevailing fringe benefit rate for any given trade or occupation included in the determination does not represent the prevailing wage rate or prevailing fringe benefit rate for that trade or occupation in the city, village, or town in which the proposed project is located. That evidence shall include wage rate or fringe benefit rate information for the contested trade or occupation on at least 3 similar projects located in the city, village, or town where the proposed project is located on which some work has been performed during the current survey period and which were considered by the department in issuing its most recent compilation under par. (am). The department shall affirm or modify the determination within 15 days after the date on which the department receives the request for review.

Section 42. 103.49 (4r) (c) of the statutes is amended to read:

103.49 (4r) (c) Upon completion of a project and before receiving final payment for his or her work on the project, each contractor shall file with the state agency authorizing the work an affidavit stating that the contractor has complied fully with the requirements of this section and that the contractor has received an affidavit under par. (b) from each of the contractor's agents and subcontractors. A state agency may not authorize a final payment until the affidavit is filed in proper form and order. If a state agency authorizes a final payment before an affidavit is filed in proper form and order or if the department determines, based on the greater weight of the credible evidence, that any person performing the work specified in sub. (2m)

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has been or may have been paid less than the prevailing wage rate, less than the prevailing fringe benefit rate, or less than 1.5 times the hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor and requests that the state agency withhold all or part of the final payment, but the state agency fails to do so, the state agency is liable for all back wages and fringe benefits payable up to the amount of the final payment.

SECTION 43. 103.49 (5) (a) of the statutes is amended to read:

103.49 (5) (a) Each contractor, subcontractor, or contractor's or subcontractor's agent performing work on a project that is subject to this section shall keep full and accurate records clearly indicating the name and trade or occupation of every person performing the work described in sub. (2m) and an accurate record of the number of hours worked by each of those persons and the actual wages <u>and fringe benefits</u> paid for the hours worked.

Section 44. 103.49 (5) (b) of the statutes is amended to read:

103.49 (5) (b) It shall be the duty of the department to enforce this section. To this end it may demand and examine, and every contractor, subcontractor, and contractor's and subcontractor's agent shall keep, and furnish upon request by the department, copies of payrolls and other records and information relating to the wages and fringe benefits paid to persons performing the work described in sub. (2m) for work to which this section applies. The department may inspect records in the manner provided in this chapter. Every contractor, subcontractor, or agent performing work on a project that is subject to this section is subject to the requirements of this chapter relating to the examination of records. Section 111.322 (2m) applies to discharge and other discriminatory acts arising in connection with any proceeding under this section.

Section 45. 103.49 (6m) (b) of the statutes is amended to read:

103.49 **(6m)** (b) Whoever induces any person who seeks to be or is employed on any project that is subject to this section to give up, waive, or return any part of the wages <u>or fringe benefits</u> to which the person is entitled under the contract governing the project, or who reduces the hourly basic rate of pay <u>or hourly contribution for fringe benefits</u> normally paid to a person for work on a project that is not subject to this section during a week in which the person works both on a project that is subject to this section and on a project that is not subject to this section, by threat not to employ, by threat of dismissal from employment, or by any other means is guilty of an offense under s. 946.15 (1).

Section 46. 103.49 (6m) (c) of the statutes is amended to read:

103.49 (6m) (c) Any person employed on a project that is subject to this section who knowingly permits a contractor, subcontractor, or contractor's or subcontractor's agent to pay him or her less than the prevailing wage rate or prevailing fringe benefit rate set forth in the contract governing the project, who gives up, waives, or returns any part of the compensation to which he or she is entitled under the contract, or who gives up, waives, or returns any part of the compensation to which he or she is normally entitled for work on a project that is not subject to this section during a week in which the person works both on a project that is subject to this section and on a project that is not subject to this section and on a project that is not subject to this section and (2).

Section 47. 103.49 (6m) (d) of the statutes is amended to read:

103.49 **(6m)** (d) Whoever induces any person who seeks to be or is employed on any project that is subject to this section to permit any part of the wages <u>or fringe</u> <u>benefits</u> to which the person is entitled under the contract governing the project to

be deducted from the person's pay is guilty of an offense under s. 946.15 (3), unless the deduction would be permitted under 29 CFR 3.5 or 3.6 from a person who is working on a project that is subject to 40 USC 276e 3141 to 3148.

SECTION 48. 103.49 (6m) (e) of the statutes is amended to read:

103.49 **(6m)** (e) Any person employed on a project that is subject to this section who knowingly permits any part of the wages <u>or fringe benefits</u> to which he or she is entitled under the contract governing the project to be deducted from his or her pay is guilty of an offense under s. 946.15 (4), unless the deduction would be permitted under 29 CFR 3.5 or 3.6 from a person who is working on a project that is subject to 40 USC <u>276e</u> 3141 to 3148.

Section 49. 103.49 (6m) (f) of the statutes is amended to read:

103.49 **(6m)** (f) Paragraph (a) does not apply to any person who fails to provide any information to the department to assist the department in determining prevailing wage rates or prevailing fringe benefit rates under sub. (3) (a) or (am).

Section 50. 103.49 (7) (a) of the statutes is amended to read:

103.49 (7) (a) Except as provided under pars. (b) and (c), the department shall distribute to all state agencies a list of all persons whom the department has found to have failed to pay the prevailing wage rate or prevailing fringe benefit rate determined under sub. (3) or has found to have paid less than 1.5 times the hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor at any time in the preceding 3 years. The department shall include with any name the address of the person and shall specify when the person failed to pay the prevailing wage rate or prevailing fringe benefit rate and when the person paid less than 1.5 times the hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor. A state agency may not award any contract to the person unless

otherwise recommended by the department or unless 3 years have elapsed from the date the department issued its findings or date of final determination by a court of competent jurisdiction, whichever is later.

SECTION 51. 103.49 (7) (b) of the statutes is amended to read:

103.49 (7) (b) The department may not include in a notification under par. (a) the name of any person on the basis of having let work to a person whom the department has found to have failed to pay the prevailing wage rate or prevailing fringe benefit rate determined under sub. (3) or has found to have paid less than 1.5 times the hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor.

Section 52. 103.49 (7) (d) of the statutes is amended to read:

103.49 (7) (d) Any person submitting a bid on a project that is subject to this section shall, on the date <u>on which</u> the person submits the bid, identify any construction business in which the person, or a shareholder, officer, or partner of the person, if the person is a business, owns, or has owned at least a 25% <u>percent</u> interest on the date the person submits the bid or at any other time within 3 years preceding the date the person submits the bid, if the business has been found to have failed to pay the prevailing wage rate <u>or prevailing fringe benefit rate</u> determined under sub. (3) or to have paid less than 1.5 times the hourly basic rate of pay for all hours worked in excess of the prevailing hours of labor.

Section 53. 103.50 (4m) of the statutes is amended to read:

103.50 (4m) Wage rate data. In determining prevailing wage rates for projects that are subject to this section, the department shall use data from projects that are subject to this section, s. 66.0903 or 103.49 or 40 USC 276a 3141 to 3148.

Section 54. 103.50 (7) (d) of the statutes is amended to read:

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103.50 (7) (d) Whoever induces any person who seeks to be or is employed on any project that is subject to this section to permit any part of the wages to which the person is entitled under the contract governing the project to be deducted from the person's pay is guilty of an offense under s. 946.15 (3), unless the deduction would be permitted under 29 CFR 3.5 or 3.6 from a person who is working on a project that is subject to 40 USC 276e 3141 to 3148.

Section 55. 103.50 (7) (e) of the statutes is amended to read:

103.50 (7) (e) Any person employed on a project that is subject to this section who knowingly permits any part of the wages to which he or she is entitled under the contract governing the project to be deducted from his or her pay is guilty of an offense under s. 946.15 (4), unless the deduction would be permitted under 29 CFR 3.5 or 3.6 from a person who is working on a project that is subject to 40 USC 276e 3141 to 3148.

SECTION 56. 227.01 (13) (t) of the statutes is amended to read:

227.01 (13) (t) Ascertains and determines prevailing wage rates or prevailing fringe benefit rates under ss. 66.0903, 103.49, 103.50 and 229.8275 or prevailing wage rates under s. 103.50, except that any action or inaction which that ascertains and determines prevailing wage rates or prevailing fringe benefit rates under ss. 66.0903, 103.49, 103.50 and 229.8275 or prevailing wage rates under s. 103.50 is subject to judicial review under s. 227.40.

Section 57. 229.8275 (title) of the statutes is amended to read:

229.8275 (title) Prevailing wage and fringe benefit rates.

Section 58. 229.8275 (1) of the statutes is amended to read:

229.8275 (1) Not to permit any employee working on the football stadium facilities who would be entitled to receive the prevailing wage rate and prevailing

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fringe benefit rate under s. 66.0903 and who would not be required or permitted to work more than the prevailing hours of labor, if the football stadium facilities were a project of public works subject to s. 66.0903, to be paid less than the prevailing wage rate or less than the prevailing fringe benefit rate or to be required or permitted to work more than the prevailing hours of labor, except as permitted under s. 66.0903 (4) (a).

Section 59. 946.15 (1) of the statutes is amended to read:

946.15 (1) Any employer, or any agent or employee of an employer, who induces any person who seeks to be or is employed pursuant to a public contract, as defined in s. 66.0901 (1) (c), or who seeks to be or is employed on a project on which a prevailing wage rate and prevailing fringe benefit rate determination has been issued by the department of workforce development under s. 66.0903 (3), 103.49 (3), 103.50 (3) or 229.8275 (3) or by a local governmental unit, as defined in s. 66.0903 (1) (d), under s. 66.0903 (6) or on which a prevailing wage rate determination has been issued by that department under s. 103.50 (3) to give up, waive, or return any part of the compensation to which that person is entitled under his or her contract of employment or under the prevailing wage rate or prevailing fringe benefit rate determination issued by the department or local governmental unit, or who reduces the hourly basic rate of pay or hourly contribution for fringe benefits normally paid to an employee for work on a project on which a prevailing wage rate and prevailing fringe benefit rate determination has not been issued under s. 66.0903 (3) or (6), 103.49 (3), 103.50 (3) or 229.8275 (3) or on which a prevailing wage rate determination has not been issued by that department under s. 103.50 (3) during a week in which the employee works both on a project on which a prevailing wage rate or prevailing fringe benefit rate determination has been issued and on a project on

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which a prevailing wage rate <u>or prevailing fringe benefit rate</u> determination has not been issued, is guilty of a Class I felony.

SECTION 60. 946.15 (2) of the statutes is amended to read:

946.15 (2) Any person employed pursuant to a public contract, as defined in s. 66.0901 (1) (c), or employed on a project on which a prevailing wage rate and prevailing fringe benefit rate determination has been issued by the department of workforce development under s. 66.0903 (3), 103.49 (3), 103.50 (3) or 229.8275 (3) or by a local governmental unit, as defined in s. 66.0903 (1) (d), under s. 66.0903 (6) or on which a prevailing wage rate determination has been issued by that department under s. 103.50 (3) who gives up, waives, or returns to the employer or agent of the employer any part of the compensation to which the employee is entitled under his or her contract of employment or under the prevailing wage rate or prevailing fringe benefit rate determination issued by the department or local governmental unit, or who gives up any part of the compensation to which he or she is normally entitled for work on a project on which a prevailing wage rate and prevailing fringe benefit rate determination has not been issued under s. 66.0903 (3) or (6), 103.49 (3), 103.50 (3) or 229.8275 (3) or on which a prevailing wage rate determination has not been issued by that department under s. 103.50 (3) during a week in which the person works part-time on a project on which a prevailing wage rate or prevailing fringe benefit rate determination has been issued and part-time on a project on which a prevailing wage rate determination or prevailing fringe benefit rate has not been issued, is guilty of a Class C misdemeanor.

Section 61. 946.15 (3) of the statutes is amended to read:

946.15 (3) Any employer or labor organization, or any agent or employee of an employer or labor organization, who induces any person who seeks to be or is

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employed on a project on which a prevailing wage rate and prevailing fringe benefit rate determination has been issued by the department of workforce development under s. 66.0903 (3), 103.49 (3), 103.50 (3) or 229.8275 (3) or by a local governmental unit, as defined in s. 66.0903 (1) (d), under s. 66.0903 (6) or on which a prevailing wage rate determination has been issued by that department under s. 103.50 (3) to permit any part of the wages or fringe benefits to which that person is entitled under the prevailing wage rate or prevailing fringe benefit rate determination issued by the department or local governmental unit to be deducted from the person's pay is guilty of a Class I felony, unless the deduction would be permitted under 29 CFR 3.5 or 3.6 from a person who is working on a project that is subject to 40 USC 276e 3141 to 3148.

Section 62. 946.15 (4) of the statutes is amended to read:

946.15 (4) Any person employed on a project on which a prevailing wage rate and prevailing fringe benefit rate determination has been issued by the department of workforce development under s. 66.0903 (3), 103.49 (3), 103.50 (3) or 229.8275 (3) or by a local governmental unit, as defined in s. 66.0903 (1) (d), under s. 66.0903 (6) or on which a prevailing wage rate determination has been issued by that department under s. 103.50 (3) who permits any part of the wages or fringe benefits to which that person is entitled under the prevailing wage rate or prevailing fringe benefit rate determination issued by the department or local governmental unit to be deducted from his or her pay is guilty of a Class C misdemeanor, unless the deduction would be permitted under 29 CFR 3.5 or 3.6 from a person who is working on a project that is subject to 40 USC 276e 3141 to 3148.