

LIMIT APPLICATION OF PREVAILING WAGE LAW; BIDDING DISCRIMINATION



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FISCAL ANALYSIS

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HOUSE BILL 4383 SUBSTITUTE H-1

Sponsor: Rep. Robert Gosselin

House Committee: Employment Relations, Training and Safety

FLOOR ANALYSIS - 2/25/02

Analyst(s): Bob Schneider

HOUSE BILL 4329 AS INTRODUCED

Sponsor: Rep. Robert Gosselin

House Committee: Employment Relations, Training and Safety

SUMMARY

The bills exempt certain projects and entities from prevailing wage provisions that exist in current law. In particular, HB 4329 deletes existing requirements that public school academies and strict discipline academies comply with prevailing wage law provisions. HB 4383 exempts construction, repair, and renovation projects involving public schools generally.

The bills could reduce state and local costs in two ways. First, state costs incurred by the Department of Consumer and Industry Services for administering and enforcing the prevailing wage statute would be reduced by an indeterminate amount. Second, to the extent that the exemptions reduce wages paid by contractors that would no longer be covered by the law, local costs for school construction, repair, or improvement projects could also fall.

On the revenue side, state income tax revenue and local income tax revenue, where applicable, could decrease by a very slight amount. Again, this would depend upon the extent to which the bills' provisions lead to lower wages paid by state contractors exempted by the bills.