

HOUSE BILL 695

IN THE HOUSE

February 9, 1979	Introduced and referred to Committee on State Administration.
February 13, 1979	Committee recommend bill, do pass.
February 14, 1979	Second reading, pass consideraiton.
February 15, 1979	Second reading, pass consider- ation. On motion, taken from second reading and referred to Committee on State Administration.
February 20, 1979	Intent statement attached. Committee recommend bill, as amended.
February 21, 1979	Printed and placed on members' desks.
February 22, 1979	Second reading, do pass. Considered correctly engrossed.
February 23, 1979	Third reading, not passed.

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 2 *John* *House* BILL NO. *695*
 3 INTRODUCED BY *Walton* *O'connor* *Menahan*
 4 *Duffy* *Ho* *Rodden* *Shelden* *Metcalfe* *Dilligan*
 5 *Kemmis*

6 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO PUBLIC
 7 WORKS CONTRACTS; REQUIRING NOTICES OF SUCH CONTRACTS;
 8 REQUIRING BIDS TO CONTAIN WAGE RATES; PROVIDING ENFORCEMENT
 9 POWERS; REQUIRING SUBMISSION OF WEEKLY PAYROLL TO
 10 CONTRACTING AGENCY; CLARIFYING CONSEQUENCES OF FAILING TO
 11 INCLUDE MANDATORY CLAUSES IN CONTRACTS; PROVIDING RULEMAKING
 12 AUTHORITY; AMENDING SECTION 18-2-403, MCA."

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 NEW SECTION. Section 1. Definitions. Unless the
 15 context requires otherwise, in [this act] the following
 16 definitions apply:

- 17 (1) "Commissioner" means the commissioner of labor and
- 18 industry.
- 19 (2) "Department" means the department of labor and
- 20 industry.

21 NEW SECTION. Section 2. Notices of contract required.

22 (1) When a state agency or any public entity of this state
 23 awards a public works contract, the chief executive officer
 24 of the contracting authority shall send to the department a
 25 notice of the contract award and the expected date of
 completion of the project.

1 (2) When the public works project is accepted by the
 2 public contracting authority, a notice of acceptance and the
 3 completion date of the project shall be sent to the
 4 department. The 90-day limitation for filing an action in
 5 district court as provided in 18-2-407 may not begin until
 6 the public contracting agency notifies the department of its
 7 acceptance of the public works project.

8 NEW SECTION. Section 3. Bid to contain prevailing
 9 wage rate. All bids for public works projects must contain a
 10 provision stating the prevailing wage rate that the
 11 contractors and subcontractors must pay during construction
 12 of the project.

13 NEW SECTION. Section 4. Enforcement. (1) The
 14 commissioner or his representative may enter and inspect
 15 such places, question such employees, and investigate such
 16 facts, conditions, or matters as considered appropriate, to
 17 determine whether any person has violated any provision of
 18 [this act] or any rule adopted pursuant to [this act].

19 (2) The commissioner or his authorized representative
 20 may administer oaths and examine witnesses under oath, issue
 21 subpoenas, compel the attendance of witnesses, and the
 22 production of papers, books, accounts, records, payrolls,
 23 documents, and testimony, and may take depositions and
 24 affidavits in any enforcement proceeding.

25 Section 5. Section 18-2-403, MCA, is amended to read:

-2- *HB 695*
 INTRODUCED BILL

1 "18-2-403. Preference of Montana labor in public works
2 -- wages -- federal exception. (1) In all contracts
3 hereafter let for state, county, municipal, school, or heavy
4 highway construction, services, repair, and maintenance work
5 under any of the laws of this state there shall be inserted
6 in each of said contracts a provision by which the
7 contractor must give preference to the employment of bona
8 fide Montana residents in the performance of said work and
9 must further pay the standard prevailing rate of wages,
10 including fringe benefits for health and welfare and pension
11 contributions and travel allowance provisions in effect and
12 applicable to the county or locality in which the work is
13 being performed.

14 (2) No contract shall be let to any person, firm,
15 association, or corporation refusing to execute an agreement
16 with the above-mentioned provisions in it, provided that in
17 contracts involving the expenditure of federal-aid funds
18 this part shall not be enforced in such a manner as to
19 conflict with or be contrary to the federal statutes
20 prescribing a labor preference to honorably discharged
21 soldiers, sailors, and marines and prohibiting as unlawful
22 any other preference or discrimination among citizens of the
23 United States.

24 (3) Failure to include the required provisions in a
25 public works contract pursuant to subsection (1) does not

1 ~~relieve the contractor from paying the standard prevailing~~
2 ~~wage rate."~~

3 ~~NEW SECTION.~~ Section 6. Submission of weekly payroll
4 to contracting authority. A certified copy of the weekly
5 payroll of all contractors on a public works project shall
6 be submitted by the contractors to the contracting
7 authority. If requested the contracting authority shall send
8 copies of the weekly payroll to the department.

9 ~~NEW SECTION.~~ Section 7. Rulemaking authority. The
10 commissioner may adopt rules necessary for the
11 implementation, continuation, and enforcement of [this act]
12 in accordance with the Montana Administrative Procedure Act.

13 Section 8. Codification. It is intended that sections
14 1 through 4, 6, and 7 be codified as an integral part of
15 Title 18, chapter 2, part 4, and the provisions contained in
16 Title 18, chapter 2, part 4, apply to sections 1 through 4,
17 6, and 7.

-End-

STATE OF MONTANA

REQUEST NO. 427-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 28, 1979, there is hereby submitted a Fiscal Note for House Bill 695 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to transfer all financial responsibility for public assistance from the counties to the Department of Social and Rehabilitation Services, effective July 1, 1979; and to levy a mandatory statewide property tax of 6 mills.

ASSUMPTIONS:

1. Public assistance caseloads will continue to grow at historical rates in all programs.
2. Current county office locations and number of employees will remain unchanged.
3. County offices will begin rental payments using 600 FTE, 100 sq. ft. per FTE @ \$6.00 per sq. ft.
4. County administrative costs will increase annually at an inflation rate of 4%.

FISCAL IMPACT:

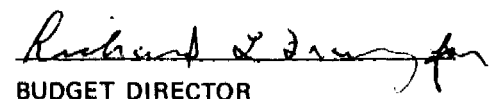
	<u>FY 80</u>	<u>FY 81</u>
Additional cost due to proposed law	\$10,711,593	\$11,214,833
Additional revenue	9,792,000	10,380,000
Net additional cost	<u>\$ 919,593</u>	<u>\$ 834,833</u>

(See attached schedule)

The additional cost must be funded from the State General Fund.

LOCAL IMPACT:

A six-mill levy per county would be required annually producing \$9,792,000 in FY80 and \$10,380,000 in FY81. County welfare expenditures would be shifted to the state with the financing being provided by the above combination of general fund and earmarked fund monies. The revenue to the earmarked revenue fund would be derived from the statewide six-mill levy. Individual counties could experience either an increase or decrease in mill levy depending on the number of mills now levied for the currently authorized 13.5 mill limit for county poor funds.


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/1/79

ATTACHMENT I

<u>COST COMPONENTS</u>	<u>ACTUAL CO. SHARE - FY 78</u>	<u>EST. FOR FY 80</u>	<u>EST. FOR FY 81</u>	<u>METHOD OF ESTIMATION</u>
Economic Assistance/Social Services Programs ¹	\$4,174,856	\$5,208,565	\$5,374,531	Executive Budget
County General Assistance	501,407	497,564	527,418	Average of 4 years actual plus 6% Inflation factor
County Medical Assistance	4,157,625	4,240,000	4,494,000	Average of 4 years actual plus 6% Inflation factor
Transient Relief	31,916	39,144	39,144	Average of 4 years actual
County Burial	87,650	74,000	74,000	Average of 4 years actual
Food Stamp Administration--county share only (50%)	79,100	89,000	94,300	Average of 4 years actual plus 6% Inflation factor
County Administration--county share only (40%)	187,960	203,320	211,440	Historical Increase 4%
Contingencies ²	<u>n/a</u>	<u>360,000</u>	<u>400,000</u>	
TOTAL	\$9,220,514	\$10,711,593	\$11,214,833	
No. of Required Mills (statewide)	5.88	6.56	6.48	

¹Income Maintenance: AFDC, AFDC Foster Care, CWS Foster Care
Travel and Salaries: Social Services, Eligibility Determination

²Rental increase, (pay county for courthouse or for new space); replace county owned equipment, data processing charges (to replace county warrants, etc.)

1 STATEMENT OF INTENT RE: HB 695

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4 A statement of intent is required for this bill in that
5 it delegates authority to the Commissioner of Labor and
6 Industry to adopt rules in Section 7.

7 It is the intent of the legislature that the
8 Commissioner of Labor and Industry adopt rules for the
9 administration of House Bill 695. The rules adopted by the
10 Commissioner are intended to ensure that persons employed in
11 public work projects are properly classified as either
12 journeymen or apprentices in public work contracts. The
13 legislature intends that persons employed in public work
14 projects receive the standard prevailing rate of wages equal
15 to the applicable wage rate negotiated under collective
16 bargaining agreements in the area for which the particular
17 jobs in question are performed. The Commissioner is
18 expected to adopt rules that provide for the implementation
19 of new wage rates into public work projects negotiated
20 between the implementation and completion of such projects.

21 First adopted by the COMMITTEE ON STATE ADMINISTRATION
22 on February 20, 1979.

HE 695

Approved by Committee
on State Administration

HOUSE BILL NO. 695

INTRODUCED BY WALDRON, COONEY, MENAHAN,

GOULD, DAILY, H. ROBBINS, SHELDEN,

METCALF, GILLIGAN, HARPER, ELLIS, KEMMIS

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