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SENATE FILE 2275

BY McCOY

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to a prevailing wage requirement for the new jobs  
 2 and income Act.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2275

1 Section 1. Section 15.327, Code 1997, is amended by adding  
2 the following new subsections:

3 NEW SUBSECTION. 0A. "Commissioner" means the labor  
4 commissioner appointed pursuant to section 91.2.

5 NEW SUBSECTION. 1A. "Contract for a facility improvement"  
6 or "facility improvement" means a contract for the  
7 construction, alteration, repair, or remodeling, including  
8 painting and decorating, of a manufacturing facility located  
9 within the economic development area, of the eligible business  
10 or a supporting business.

11 NEW SUBSECTION. 6A. "Prevailing wage rates" means the  
12 wage rates for mechanics and skilled and unskilled laborers as  
13 determined by the commissioner under section 15.328.

14 NEW SUBSECTION. 10. "Wage" or "wage rates" for purposes  
15 of this part, means all of the following:

16 a. The basic hourly rate of pay.

17 b. The amount of all of the following:

18 (1) The rate of contribution irrevocably made by a  
19 contractor or subcontractor to a trustee or to a third person  
20 pursuant to a fund, plan, or program for the benefit of  
21 laborers and mechanics employed by the contractor or  
22 subcontractor.

23 (2) The rate of costs to the contractor or subcontractor  
24 that may be reasonably anticipated in providing benefits to  
25 laborers and mechanics pursuant to an enforceable commitment  
26 to carry out a financially responsible plan or program which  
27 was communicated in writing to the laborers and mechanics  
28 affected, for medical or hospital care, pensions on retirement  
29 or death, compensation for injuries or illness resulting from  
30 occupational activity, or insurance to provide any of the  
31 foregoing, for unemployment benefits, life insurance,  
32 disability and sickness insurance or accident insurance, for  
33 vacation and holiday pay, for defraying costs of  
34 apprenticeship or other similar programs, or for other bona  
35 fide fringe benefits, but only where the contractor or

1 subcontractor is not required by federal, state, or local law  
2 to provide such benefits.

3 Sec. 2. NEW SECTION. 15.328 COMMISSIONER DUTIES.

4 The commissioner shall have the following duties and  
5 powers:

6 1. The commissioner shall determine, at least annually,  
7 the wage rates for mechanics and laborers of the type  
8 customarily employed to perform work under a contract for a  
9 facility improvement, which prevail in each county and in each  
10 city over twenty thousand in population in the state among  
11 workers performing work similar in character to that performed  
12 on projects under contracts in accordance with this part. The  
13 commissioner shall establish the wage rates so determined for  
14 each county and city by the commissioner as the prevailing  
15 wage rates for work to be performed by a contracting party  
16 under a contract for a facility improvement within that county  
17 or city.

18 2. In determining and establishing the prevailing wage  
19 rates for each county and city, the commissioner shall  
20 consider prevailing wage rate data established by the United  
21 States secretary of labor pursuant to 40 U.S.C. § 276a--276a-  
22 7, wage rates for mechanics and skilled and unskilled laborers  
23 for work performed within the county or city provided for in  
24 bona fide collective bargaining agreements, and any other  
25 reliable and relevant information concerning wages. If the  
26 commissioner reasonably deems it necessary, the commissioner  
27 may conduct surveys within the county or city to acquire  
28 information regarding wages paid.

29 3. The commissioner shall publish annually all prevailing  
30 wage rates determined and established pursuant to rules  
31 adopted under subsection 1.

32 4. Upon request by a governmental body, the commissioner  
33 shall determine the prevailing wage rates applicable to work  
34 to be performed under a contract for a facility improvement.  
35 The commissioner shall provide by rule an expedited procedure

1 for resolution of disputes concerning the applicable  
2 prevailing wage rate for work to be performed pursuant to a  
3 contract for a facility improvement. Such a dispute shall not  
4 be a contested case under chapter 17A.

5 5. The commissioner shall by rule provide that if work  
6 pursuant to a contract for a facility improvement is to be  
7 performed in more than a single county or a single city, the  
8 highest prevailing wage rates applicable shall apply to all  
9 work performed pursuant to the contract for a facility  
10 improvement.

11 6. The commissioner may enter upon the premises of any  
12 work site where work is being performed pursuant to a contract  
13 for a facility improvement at any reasonable time and  
14 interview any mechanic or skilled or unskilled laborer for the  
15 purposes of determining whether the contracting party is  
16 complying with the provisions of this chapter. No worker  
17 shall be discharged or otherwise disciplined or discriminated  
18 against by the contracting party for providing information to  
19 the commissioner in such an interview. Any worker discharged,  
20 disciplined, or otherwise discriminated against by the  
21 contracting party for providing information to the  
22 commissioner in such an interview shall have a right of action  
23 for reinstatement, back pay, and such other equitable relief  
24 as may be appropriate in district court. If the commissioner  
25 finds an eligible business does not meet the wage requirements  
26 of this part, the commissioner shall report the findings to  
27 the director and the penalties of section 15.330 shall apply.

28 7. The commissioner shall adopt, pursuant to chapter 17A,  
29 rules and regulations necessary to perform duties or exercise  
30 powers under this part.

31 Sec. 3. Section 15.329, subsection 1, Code 1997, is  
32 amended by adding the following new paragraph:

33 NEW PARAGRAPH. g. The business shall agree to pay, or  
34 shall contract with a contractor or subcontractor who agrees  
35 to pay, the prevailing wage rates for mechanics and skilled

1 and unskilled laborers who perform work under a contract for  
2 the construction, alteration, repair, or remodeling, the costs  
3 of which are in excess of two thousand dollars, of the  
4 manufacturing facility located within the economic development  
5 area, of the eligible business or a supporting business.

6 EXPLANATION

7 This bill adds a prevailing wage requirement to the new  
8 jobs and income Act. Under the bill, to be eligible to  
9 receive benefits under the Act, an eligible business must  
10 agree to pay, or contract with a contractor or subcontractor  
11 that agrees to pay, the prevailing wage rates for mechanics  
12 and skilled and unskilled laborers who perform work under a  
13 contract, the costs of which are in excess of \$2,000, for the  
14 construction, alteration, repair, or remodeling of the  
15 manufacturing facility located within the economic development  
16 area, of the eligible business or a supporting business. The  
17 benefits available to an eligible business that complies with  
18 the Act include a new jobs credit from withholding; a sales,  
19 services, and use tax refund; exemption from land ownership  
20 restrictions for nonresident aliens; a value-added property  
21 tax exemption; an investment tax credit; an exemption from  
22 taxation for machinery, equipment, and computers; sales and  
23 use tax exemption; and a research activities credit.

24 Under the bill, it is the responsibility of the labor  
25 commissioner to determine, at least annually, wage rates  
26 prevailing for mechanics and laborers in each county and in  
27 each city over 20,000 in population in the state among workers  
28 performing work similar in character to that performed on  
29 projects under contracts in accordance with the Act and  
30 establish the rates as the wage rates for work to be performed  
31 under a contract for facility improvement. If the  
32 commissioner finds an eligible business does not meet the  
33 wage requirements, the commissioner shall report the findings  
34 to the director and the penalties of the Act, up to and  
35 including forfeiture of the Act's incentives, shall apply.

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