

FEB 22 2006
COMMERCE, REGULATION & LABOR

HOUSE FILE 2454
BY MURPHY

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to area wage standards for construction
2 contractors and making remedies and penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2454

1 Section 1. Section 91C.1, subsection 1, Code 2005, is
2 amended by adding the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. As used in this chapter, unless
4 the context otherwise requires, "employee" means a natural
5 person employed in this state for wages by a contractor and
6 includes a person who is neither a lawful permanent resident
7 under the federal Immigration and Nationality Act nor a United
8 States citizen.

9 Sec. 2. Section 91C.8, subsection 2, Code 2005, is amended
10 by adding the following new paragraph:

11 NEW PARAGRAPH. d. The requirement that a contractor pay
12 its employees in an amount at least equal to the area wage
13 standard under section 91C.9.

14 Sec. 3. NEW SECTION. 91C.9 AREA WAGE STANDARDS --
15 VIOLATIONS.

16 1. The labor commissioner shall establish by rule an area
17 wage standard in each county for employees employed in this
18 state by a contractor. A contractor in this state shall pay
19 the contractor's employees a wage at least equal to the area
20 wage standard for the county in which the employee is
21 employed.

22 2. An employee of a contractor who is paid in an amount
23 less than the area wage standard established by the labor
24 commissioner may bring a civil action against the contractor
25 for any or all of the following:

26 a. Actual damages equaling the difference between the
27 wages actually paid and the area wage standards that should
28 have been paid.

29 b. Liquidated damages in an amount equal to the actual
30 damages.

31 c. An administrative penalty payable to the labor
32 commissioner in an amount equal to twenty percent of the
33 actual damages, or if the action is the second or subsequent
34 action brought pursuant to this section against the
35 contractor, the administrative penalty shall be an amount

1 equal to fifty percent of the actual damages. However, an
2 administrative penalty may not be included in a civil action
3 under this subsection if an administrative penalty has been
4 issued under a citation pursuant to section 91C.8.

5 d. Reasonable attorney fees and court costs.

6 3. The labor commissioner may bring an action pursuant to
7 subsection 2 on behalf of an employee of a contractor. A bond
8 of an out-of-state contractor filed with the labor
9 commissioner may be forfeited to pay a judgment obtained by
10 the labor commissioner under this subsection.

11 4. After notice and an opportunity for a hearing, the
12 labor commissioner shall revoke a registration under this
13 chapter for any contractor who has committed a second or
14 subsequent violation of failing to pay a wage at least equal
15 to the area wage standard. A contractor may appeal the
16 revocation of the contractor's registration pursuant to
17 chapter 17A. A contractor whose registration is revoked
18 pursuant to this subsection shall not reapply or be approved
19 for a registration for at least two years from the effective
20 date of the revocation.

21 EXPLANATION

22 This bill provides for the establishment and payment of
23 area wage standards for construction contractors by the labor
24 commissioner.

25 The bill allows the labor commissioner to issue a citation
26 to a construction contractor for failing to pay the
27 contractor's employees at least the area wage standard
28 established by the labor commissioner pursuant to the bill. A
29 citation for a first violation may be issued for an amount up
30 to \$500. A second or subsequent violation may be issued for
31 an amount up to \$5,000.

32 The bill requires construction contractors employing
33 employees in this state to pay the employees wages at least
34 equal to certain area wage standards established by the labor
35 commissioner by rule. An employee of a contractor, who is not

1 paid wages in an amount at least equal to the area wage
2 standard for the county in which the employee is employed, may
3 bring a civil action against the contractor for actual
4 damages, liquidated damages in an amount equal to the actual
5 damages, attorney fees, court costs, and an administrative
6 penalty payable to the labor commissioner in an amount equal
7 to 20 percent of the actual damages for a first violation and
8 50 percent of the actual damages for a second or subsequent
9 violation, unless an administrative penalty has already been
10 issued under a citation issued by the labor commissioner.

11 The bill permits the labor commissioner to bring a civil
12 action on behalf of an employee of a contractor as provided in
13 the bill. The bill provides that a bond of an out-of-state
14 contractor may be forfeited by the labor commissioner to pay a
15 judgment obtained by the labor commissioner for the employee
16 of a contractor.

17 The bill requires the labor commissioner to revoke the
18 registration of a contractor who has committed a second or
19 subsequent violation of failing to pay an employee in an
20 amount at least equal to the area wage standard. A contractor
21 may appeal a revocation pursuant to Code chapter 17A. A
22 contractor whose registration has been revoked by the labor
23 commissioner cannot reapply or be approved for a registration
24 for at least two years.

25 The bill defines "employee" as a natural person employed in
26 this state for wages by a contractor and includes a person who
27 is neither a lawful permanent resident nor a United States
28 citizen.

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