

## **Department of Planning and Budget**

### **2015 Fiscal Impact Statement**

**1. Bill Number:** HB2395-ER

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

**2. Patron:** Ramadan

**3. Committee:** Passed Both Houses

**4. Title:** Public works contracts; prevailing wage provisions.

**5. Summary:** Prohibits states agencies from requiring bidders, offerors, contractors, or subcontractors to pay, or require the payment of, wages, salaries, benefits, or other remuneration, to persons employed to perform services in connection with a public works project at a rate that is based on the wages and benefits prevailing for the corresponding classes of labors and mechanics employed. A corresponding prohibition is made applicable to state agencies providing grants or other financial assistance for public works projects, unless required by federal law. The measure further states that it is the policy of the Commonwealth not to implement, adopt, enforce, or require any program, policy, or provision that requires a public works contract that requires the payment of wages or other remuneration at a rate based on the prevailing wage, whether modeled on the federal Davis-Bacon Act or similar state law.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Final; no fiscal impact. See Item 8.

**8. Fiscal Implications:** No state fiscal impact is expected. This bill prohibits state agencies from requiring bidders, offerors, contractors, or subcontractors to compensate employees based on the prevailing compensation rates of corresponding classes of labors and mechanics. It is not common practice for public works contracts to contain such a requirement and the Department of General Services reports no known instances of agencies including such provisions in a contract. Therefore, this bill is not expected to affect existing contract provisions or procedures.

**9. Specific Agency or Political Subdivisions Affected:** All state agencies

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 3/6/2015

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