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## FISCAL IMPACT REPORT

SPONSOR: Moore DATE TYPED: 2/21/01 HB 663  
 SHORT TITLE: Amend Public Works Minimum Wage Act SB \_\_\_\_\_  
 ANALYST: Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	NFI				

### SOURCES OF INFORMATION

General Services Department

### SUMMARY

#### Synopsis of Bill

House Bill 663 amends the public works minimum wage act by increasing the size of contracts exempted from its requirements from \$20,000 to \$250,000.

The minimum wage act requires that public works projects and contracts, at a minimum, pay the prevailing wage to various classes of laborers and mechanics. The minimum is determined by the director of the Labor and Industrial Division of the Labor Department.

### PERFORMANCE IMPLICATIONS

The department proposed no performance measure. An obvious measure would compare the cost of projects under the new provisions to those under the old (adjusted for inflation)

### FISCAL IMPLICATIONS

The bill carries no appropriation. However, the General Services Department, Property Control Division, reports that most of their capital projects cost between \$20.0 and \$250.0. They say that building costs would decrease by 10 percent. However, no methodology or rationale is provided to demonstrate how such savings would be realized. A rigorous analysis would report the share of total construction costs represented by labor and the expected average wage under the proposed changes as compared to current law.

BT/sb/njw