

## **BILL ANALYSIS**

H.B. 2625  
By: Murphy  
Economic Development  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Current statute allows political subdivisions to use the locally adjusted Department of Labor Davis-Bacon wage rates in lieu of conducting their own surveys, provided these wage rates were determined within a three-year period of bidding on a public works project. However, the Davis-Bacon wage rates are set by the federal government and are not always adjusted in a timely manner. This presents a problem for a political subdivision that has chosen to use them. Furthermore, when a political subdivision accepts federal funds directly, or through the state, they are required to use the locally adjusted Davis-Bacon wage rates. If a political subdivision were to accept federal funds, and as a condition, use locally adjusted Davis-Bacon wage rates that are over three years old, the subdivision would then be in violation of state law.

The cost for a political subdivision to determine their own wage rate can be quite high. For example, for Harris County to conduct their own wage rate survey it would cost approximately \$500,000.

H.B. 2625 would solve this problem that political subdivisions are faced with, under current law, by allowing political subdivisions to use the most current Davis-Bacon wage rates available for their area. The change in law would lead to consistency between state and federal law and would also potentially save local governments thousands of dollars in survey costs.

### **RULEMAKING AUTHORITY**

It is the opinion of the committee that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Amends Section 2258.022(a), Government Code, by repealing the three-year limitation on the use of locally adjusted Davis-Bacon wage rates on public works projects.

SECTION 2. States the effective date for this Act.

### **EFFECTIVE DATE**

September 1, 2007.