

BILL ANALYSIS

C.S.H.B. 633
By: Morrison
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, the prevailing wage rates for certain public work contracts are determined by using a survey of wages paid for similar work in the applicable locality or using the rate determined by the U.S. Department of Labor in accordance with the federal Davis-Bacon Act. Interested parties have suggested that this data may rarely be updated and sometimes inaccurate, resulting in public works projects being more expensive because the prevailing wage is inflated by incorrect data. However, these parties report that the Texas Workforce Commission currently compiles wage data that localities are not permitted to use in determining prevailing wages. C.S.H.B. 633 seeks to remedy this issue by giving certain political subdivisions the option to use data compiled by the Texas Workforce Commission, which is regularly updated and more accurate.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

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

ANALYSIS

C.S.H.B. 633 amends the Government Code to give the public body awarding an applicable public work contract on behalf of a political subdivision the option to determine the prevailing rates of certain wages for the contract by using, subject to geographical limitations, the most recent data compiled by the Texas Workforce Commission's labor market and career information department as of the time when the political subdivision submitted the public work for bids or requested proposals if each county in which the public work is located has a population of less than one million.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 633 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute conditions the authorization for a public body awarding an applicable public work contract to determine prevailing wage rates by using data compiled by the department on each

county in which the public work is located having a population of less than one million, whereas the original did not include such a population-based limitation. The substitute includes a clarification not in the original that the data authorized for use is the data most recently compiled as of the time when the political subdivision submits the public work for bids or requests proposals.

The original provided for the use of state occupational employment statistics wage data compiled by the department if there is no data available for the relevant local workforce development area or the metropolitan statistical area for the specific occupation for which data is sought. The substitute retains this provision and provides for the classification of occupations to be based on the U.S. Office of Management and Budget in the North American Industry Classification System, whereas in the original the classification was based on the U.S. Bureau of Labor Statistics in the 2018 Standard Occupational Classification system.