

BILL ANALYSIS

S.B. 518
By: Kolkhorst
State Affairs
Committee Report (Unamended)

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 is 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. S.B. 518 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

S.B. 518 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.