

# HOUSE BILL No. 1052

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-16-7-1.

**Synopsis:** Common construction wage. Changes the composition of a committee that determines a scale of wages for a public work project. Changes from three months to 12 months the period during which the scale may be used. Provides that after December 31, 2015, the common construction wage law does not apply to a project in which the actual construction costs are less than \$1,000,000. (Under current law, this figure is \$350,000.) Makes technical changes.

**Effective:** July 1, 2015.

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January 6, 2015, read first time and referred to Committee on Employment, Labor and Pensions.

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First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

# HOUSE BILL No. 1052



A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 5-16-7-1, AS AMENDED BY P.L.195-2011,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2015]: Sec. 1. (a) Any firm, individual, partnership, limited  
4 liability company, or corporation that is awarded a contract by the state,  
5 a political subdivision, or a municipal corporation for the construction  
6 of a public work, and any subcontractor of the construction, shall pay  
7 for each class of work described in subsection (c)(1) on the project a  
8 scale of wages that may not be less than the common construction  
9 wage.  
10 (b) For the purpose of ascertaining what the common construction  
11 wage is in the county, the awarding governmental agency, before  
12 advertising for the contract, shall set up a committee of ~~five (5)~~ **three**  
13 **(3)** persons as follows:  
14 ~~(1) One (1) person representing labor, to be named by the~~  
15 ~~president of the state federation of labor.~~



- 1           ~~(2)~~ **(1)** One (1) person representing industry, to be named by the  
 2           awarding agency.
- 3           ~~(3)~~ **A third member to be named by the state president of the**  
 4           **Associated Builders and Contractors.**
- 5           ~~(4)~~ **(2)** One (1) taxpayer who pays the tax that will be the funding  
 6           source for the project and resides in the county where the project  
 7           is located. The ~~owner of the project~~ **awarding agency** shall make  
 8           the appointment under this subdivision.
- 9           ~~(5)~~ **(3)** One (1) taxpayer who pays the tax that will be the funding  
 10          source for the project and resides in the county where the project  
 11          is located. The legislative body (as defined in IC 36-1-2-9) for the  
 12          county where the project is located shall make the appointment  
 13          under this subdivision.
- 14          (c) As soon as appointed, the committee shall meet in the county  
 15          where the project is located and determine in writing the following:
- 16               (1) A classification of the labor to be employed in the  
 17               performance of the contract for the project, divided into the  
 18               following three ~~(3)~~ classes:
- 19                       (A) Skilled labor.  
 20                       (B) Semiskilled labor.  
 21                       (C) Unskilled labor.
- 22               (2) The wage per hour to be paid each of the classes.
- 23          The committee is not required to consider information not presented to  
 24          the committee at the meeting. IC 5-14-1.5 (open door law) applies to  
 25          a meeting of the committee.
- 26          (d) The rate of wages determined by the committee under subsection  
 27          (c) applies to any contract for which the awarding ~~government~~ agency  
 28          lets not later than ~~three (3)~~ **twelve (12)** months after the date the  
 29          committee determines the rate of wages. The committee shall establish  
 30          wages for all classifications of work that may be employed on projects  
 31          subject to contracts let by the awarding agency for ~~three (3)~~ **twelve (12)**  
 32          months after the date the committee determines the rate of wages. If an  
 33          awarding agency advertises for a contract that includes classifications  
 34          that are not listed on the existing wage scale, the awarding agency shall  
 35          form a new committee under subsection (b) to determine the  
 36          classifications and wages on the contract.
- 37          (e) If the awarding ~~government~~ agency lets for a contract later than  
 38          ~~three (3)~~ **twelve (12)** months after the committee determines the rate  
 39          of wages, the awarding ~~government~~ agency shall form a new committee  
 40          under subsection (b) to determine a rate of wages for the contract. The  
 41          rate of wages determined under this subsection applies to any contract  
 42          for which the awarding ~~government~~ agency lets not later than ~~three (3)~~



- 1 **twelve (12)** months after the rate of wages is determined under this  
 2 subsection.
- 3 (f) The rate of wages determined under subsection (c) shall not be  
 4 less than the common construction wage for each of the three (3)  
 5 classes of wages described in subsection (c) that are currently being  
 6 paid in the county where the project is located.
- 7 (g) This chapter does not apply to contracts let by the Indiana  
 8 department of transportation for the construction of highways, streets,  
 9 and bridges. IC 8-23-9 applies to state highway projects.
- 10 (h) A determination under subsection (c) shall be made and filed  
 11 with the awarding agency at least two (2) weeks prior to the date fixed  
 12 for the letting, and a copy of the determination shall be furnished upon  
 13 request to any person desiring to bid on the contract. The schedule is  
 14 open to the inspection of the public.
- 15 (i) If the committee appointed under subsection (b) fails to act and  
 16 to file a determination under subsection (c) at or before the time  
 17 required under subsection (h), the awarding agency shall make the  
 18 determination, and its finding shall be final.
- 19 (j) It shall be a condition of a contract awarded under this chapter  
 20 that the successful bidder and all subcontractors shall comply strictly  
 21 with the determination made under this section.
- 22 (k) This chapter does not apply to public projects in Indiana that  
 23 would otherwise be subject to this chapter that are to be paid for in  
 24 whole or in part with funds granted by the federal government, unless  
 25 the department of the federal government making the grant consents in  
 26 writing that this chapter is applicable to the project.
- 27 (l) Notwithstanding any other law, this chapter applies to projects  
 28 that will be:
- 29 (1) owned entirely; or  
 30 (2) leased with an option to purchase;  
 31 by the state or a political subdivision (as defined in IC 36-1-2-13).
- 32 (m) Notwithstanding any other law, this chapter does not apply to  
 33 projects in which the actual construction costs are less than the  
 34 following:
- 35 (1) For contracts awarded after December 31, 2011, and before  
 36 January 1, 2013, two hundred fifty thousand dollars (\$250,000).  
 37 (2) For contracts awarded after December 31, 2012, **and before**  
 38 **January 1, 2016**, three hundred fifty thousand dollars (\$350,000).  
 39 (3) **For contracts awarded after December 31, 2015, one**  
 40 **million dollars (\$1,000,000).**

