



# 2024 AG REQUEST LEGISLATION

## PROTECTING WORKERS FROM WAGE THEFT

### What needs to change?

Contractors working on state projects are required to pay their workers a prevailing wage — the basic hourly rate of wages and benefits paid to similarly situated employed workers in an area. However, there are some bad actors who intentionally underpay workers. While other labor violations can result in debarment strikes, where contractors are barred from bidding on public contracts for a year per violation, prevailing wage theft violation penalties statutes need to be updated to better protect against situations where companies are avoiding sanctions altogether.

Some repeat violators simply restart operations under a different company name and continue receiving public contracts. As a result, these bad actors are positioned to avoid accountability and profit by violating the law while honest businesses are put at a competitive disadvantage.

### What is the solution? [SB 6111](#) / [HB 2136](#)

This proposal will help prevent the “whack-a-mole” enforcement dynamic against intentional wage theft offenders that restart operations under a different company name and continue business as usual after getting caught.

This will address this problem by including the following language in law:

(9) “Contractor” includes an entity, however organized, with substantially identical operations, corporate and/or management structure to an entity that has been found in violation under RCW 39.12.050, RCW 39.12.055, RCW 39.12.065, or any associated rules. The non-exclusive factors used to determine substantial identity shall include an assessment of whether there is: Substantial continuity of the same business operation; use of the same machinery, equipment, both tangible and intangible real or personal property; similarity of jobs and types of working conditions; continuity of supervisors; and similarity of product or services.

This bill will apply to those businesses that have been sanctioned, including receiving strikes and debarments. The most recent available information on strikes and debarments available on the L&I Website.

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