

HB 1576-FN – AS INTRODUCED

2014 SESSION

14-2333
10/01

HOUSE BILL ***1576-FN***

AN ACT relative to required payroll reporting for public works construction projects.

SPONSORS: Rep. Buco, Carr 2

COMMITTEE: Public Works and Highways

ANALYSIS

This bill requires contractors for state-funded public works projects which exceed \$500,000 to file weekly payroll reports with the agency with oversight of the contract.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struckthrough~~].
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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1 public work construction project in the state of New Hampshire shall file weekly certified payroll
2 reports with the state government agency, board, commission, or authorized agent awarding or
3 responsible for oversight of the construction contract, if a public works project is wholly funded by
4 state of New Hampshire public revenues or grants or funds awarded to the state of New Hampshire
5 or its government agencies, boards, commissions, officers or authorized agents, for the construction of
6 public works, and the cost of all labor and materials on a public works construction project exceeds
7 \$500,000.

8 II. The provisions of this chapter shall not apply to workers who are employed on public
9 works contracts projects contracted under the authority of county or municipal bodies, or the bodies
10 of any political subdivision or the agencies thereof, except when such a public works construction
11 project is funded wholly with state funds and exceeds the cost of \$500,000. The provisions of this
12 chapter shall not be applied to public school construction for pre-kindergarten through grade 12
13 facilities.

14 280-A:3 Required Records.

15 I. The commissioner shall be charged with furnishing electronic and paper versions of a
16 standard reporting form for use by employers in filing the certified payroll report under this chapter.
17 The commissioner shall have the option of reviewing and updating the reporting form as he or she
18 deems necessary for facilitating the ease and accuracy of reporting.

19 II. Every contractor, subcontractor, or temporary staffing agency employing workers on a
20 public works project meeting the criteria set forth in this chapter shall keep a true and accurate
21 weekly register of all workers employed thereon, which shall provide the following information:

22 (a) The dates of the first and last days covered by the reporting period.

23 (b) The project name or project identification number of the public works construction
24 project on which the recorded workers are employed.

25 (c) The name or employer identification number of the employer.

26 (d) The name, address, and occupational classification of each worker employed on the
27 project.

28 (e) The dates each employee worked on the project, and the hours worked on each date.

29 (f) The hourly rate of wages paid to each worker.

30 (g) The signature of the employer or the employer's authorized representative certifying
31 that the information reported is true and accurate.

32 280-A:4 Inspection and Retention of Records.

33 I. Certified weekly payroll reports for public works construction projects meeting the criteria
34 set forth in this chapter shall be made available for inspection by the commissioner or a designated
35 representative from the labor department at any reasonable time and as often as necessary to
36 ascertain compliance and to identify the need for adjustments.

37 II. The certified payroll records required herein shall be retained by the employer for a

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1 period of not less than 5 years. After 2 years from the end of contract date, records may be retained
2 as electronic documents in a standard portable file format.

3 280-A:5 Confidentiality of Payroll Records.

4 I. Certified records of wages, hours, and occupational classifications of employees required
5 under this chapter shall be public records subject to disclosure under RSA 91-A, if the records are
6 provided to the public in such a manner that retracts or removes all names and personal information
7 that may permit viewers to identify individual employees, such as name, address, or other
8 identifying information.

9 II. The commissioner shall have the authority to grant the right of inspection to private
10 parties, organizations, businesses, or agencies that request access to the complete records, free of
11 redactions, of the original certified payroll reports for a specific public works project.

12 280-A:6 Penalty; Rulemaking. The failure to comply with the reporting requirements of this
13 chapter shall subject the contractor, subcontractor, or temporary staffing agency employing workers
14 on a public works project to a \$1,000 fine if deemed appropriate by the commissioner. Funds
15 generated from fines shall be deposited in the department of labor restricted fund established in
16 RSA 273:1-b. The commissioner may adopt rules under RSA 541-A for the forms required and the
17 procedures for imposition of fines.

18 2 Effective Date. This act shall take effect January 1, 2015.

HB 1576-FN - FISCAL NOTE

AN ACT relative to required payroll reporting for public works construction projects.

FISCAL IMPACT:

The Department of Administrative Services and Department of Labor state this bill, as introduced, will increase state expenditures by an indeterminable amount in FY 2015 and each year thereafter. There is no fiscal impact on county and local expenditures, or state, county and local revenue.

METHODOLOGY:

The Department of Administrative Services states this bill requires contractors for state-funded public works projects exceeding \$500,000 file weekly payroll reports with the agency with oversight of the contract. The Department states the bureau of public works averages 22 projects greater than \$500,000 per year, with the greatest number of projects greater than \$500,000 at one time being 18. The average number of subcontractors on a project is 17. This would result in the need to monitor approximately 306 contractors at any one time. The Department estimates it will need to hire two full-time labor compliance officers and one part-time clerk of the works in January 2015 to meet the requirements of this bill. Position costs contained in table adjust for the 2.25 percent salary increases in July 2014 and January 2015.

	FY 2015	FY 2016	FY 2017	FY 2018
Compliance Officer II (LG 21)	\$21,421	\$43,711	\$45,537	\$47,428
Compliance Officer I (LG 17)	18,236	37,212	38,701	40,255
Clerk of the Works II (LG 22, part-time30 hours wk)	16,718	33,436	34,870	34,870
Benefits	26,509	56,596	58,768	62,009
Current Expenses	3,461	6,917	6,917	6,917
Equipment	51,477	0	0	0
Computer	3,600	2,250	2,250	2,250
Telecommunications	1,350	2,700	2,700	2,700
Total	\$142,772	\$181,822	\$189,743	\$196,429

The Department anticipates this bill will result in an increase in the cost of contracts as contractors pass the increased costs along. The Department estimates the cost for contractors to hire personnel to process and oversee labor compliance documents will be \$1,100,000 per

year based on the assumption that each of the 22 projects will need to expend an additional \$50,000 a year on salary and benefits for this function. The Department also states the subcontractors will expend \$25 an hour for two hours a week to process and oversee certified payroll. It is estimated the increase in subcontractor costs that will be passed on to the State to be \$972,400 each year (22) average number of projects each year) * 17 (average number of subcontractors) * 2 hours per subcontractor * \$25.00 per hour * 52 weeks). The Department has not estimated the potential increase in costs for other state agencies that may oversee state-funded projects exceeding \$500,000 to determine the statewide impact of this bill.

The Department of Labor states this bill may have an indeterminable increase on state expenditures. The Department states that the bill requires certified weekly payroll reports be made available to the Department for inspection to ascertain compliance. The Department has no information to determine the amount of work that will be necessary by the Department to complete these inspections to determine the exact fiscal impact.

This bill does not contain authorization or an appropriation for additional positions.