ENGROSSED SUBSTITUTE HOUSE BILL 1817

AS AMENDED BY THE SENATE

Passed Legislature - 2019 Regular Session

State of Washington 66th Legislature 2019 Regular Session

By House Labor & Workplace Standards (originally sponsored by Representatives Sells, Chapman, Gregerson, Ormsby, and Morgan)

READ FIRST TIME 02/22/19.

- 1 AN ACT Relating to ensuring for a skilled and trained workforce
- 2 in high hazard facilities; adding a new chapter to Title 49 RCW;
- 3 prescribing penalties; providing an effective date; and providing an
- 4 expiration date.

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- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Apprenticeable occupation" means an occupation for which an apprenticeship program has been approved by the Washington state apprenticeship and training council pursuant to chapter 49.04 RCW.
 - (2) "Department" means the department of labor and industries.
 - (3) "On-site work" does not include ship and rail car support activities; environmental inspection and testing; security quard which is performed by original services: work an equipment manufacturer for warranty, repair, or maintenance on the vendor's equipment if required by the original equipment manufacturer's warranty agreement between the original equipment manufacturer and the owner; industrial cleaning not related to construction; safety services requiring professional safety certification; nonconstruction catalyst loading, regeneration, and removal; chemical purging and

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cleaning; refinery byproduct separation and recovery; inspection services not related to construction; and work performed that is not in an apprenticeable occupation.

- (4) "Prevailing hourly wage rate" has the meaning provided for "prevailing rate of wage" in RCW 39.12.010.
- (5) "Registered apprentice" means an apprentice registered in an apprenticeship program approved by the Washington state apprenticeship and training council according to chapter 49.04 RCW.
- 9 (6) "Skilled and trained workforce" means a workforce that meets 10 both of the following criteria:
 - (a) All the workers are either registered apprentices or skilled journeypersons; and
 - (b) The workforce meets the apprenticeship graduation and approved advanced safety training requirements established in section 3 of this act.
- 16 (7) "Skilled journeyperson" means a worker who meets all of the 17 following criteria:
 - (a) The worker either graduated from an apprenticeship program for the applicable occupation that was approved by the Washington state apprenticeship and training council according to chapter 49.04 RCW, or has at least as many hours of on-the-job experience in the applicable occupation that would be required to graduate from an apprenticeship program approved by the Washington state apprenticeship and training council according to chapter 49.04 RCW; and
 - (b) The worker is being paid at least a rate commensurate with the wages typically paid for the occupation in the applicable geographic area, subject to the following provisions:
 - (i) The prevailing wage rate paid for a worker in the applicable occupation and geographic area on public works projects may be used to determine the appropriate rate of pay, however, this subsection (7)(b) does not require a contractor to pay prevailing wage rates; and
- (ii) In no case may the worker be paid at a rate less than an hourly rate consistent with the seventy-fifth percentile in the applicable occupation and geographic area in the most recent occupational employment statistics published by the employment security department.

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1 <u>NEW SECTION.</u> **Sec. 2.** (1) An owner or operator of a stationary source that is engaged in activities described in code 324110 or 3 325110 of the North American industry classification system, when contracting for the performance of construction, 4 alteration. demolition, installation, repair, or maintenance work 5 6 stationary source, shall require that its contractors and any subcontractors use a skilled and trained workforce to perform all 7 onsite work within an apprenticeable occupation in the building and 8 construction trades. This section shall not apply to oil and gas extraction operations. 10

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- (2)(a) The department in consultation with the Washington state apprenticeship and training council shall approve a curriculum of inperson classroom and laboratory instruction for approved advanced safety training for workers at high hazard facilities.
- (b) The safety training must be provided by a training provider, which may include a registered apprenticeship program, approved by the department. The department must periodically review and revise the curriculum to reflect current best practices.
- (c) Upon receipt of certification from the approved training provider, the department must issue a certificate to a worker who completes the approved curriculum.
- The department may accept a certificate documentation issued by another state if the department finds that curriculum and documentation of the other state meets the requirements of this subsection.
- This section applies to work performed under contracts awarded, contract extensions, and contract renewals occurring on or after the effective date of this section. This section shall also apply to work performed under a contract awarded before the effective date of this section if the work is performed more than one year after the effective date of this section.
 - (4) This section does not apply to:
- (a) The employees of the owner or operator of the stationary source, nor does it prevent the owner or operator of the stationary source from using its own employees to perform any work that has not been assigned to contractors while the employees of the contractor are present and working;
- (b) A contractor who has requested qualified workers from the 39 local hiring halls or apprenticeship programs that dispatch workers in the apprenticeable occupation and who, due to workforce shortages,

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is unable to obtain sufficient qualified workers within forty-eight hours of the request, Saturdays, Sundays, and holidays excepted; and

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- (c) Emergencies that make compliance impracticable because they require immediate action to prevent harm to public health or safety or to the environment. This section applies as soon as the emergency is over or it becomes practicable for contractors to obtain a qualified workforce.
- 8 (5) The requirements under subsection (1) of this section apply 9 to each individual contractor's and subcontractor's on-site 10 workforce.
- 11 (6) The requirements of this section do not make the work 12 described in subsection (1) of this section a public work within the 13 meaning of RCW 39.04.010.
- NEW SECTION. Sec. 3. The following implementation schedule must be complied with to meet the requirements of section 2 of this act for a skilled and trained workforce to perform all on-site work within an apprenticeable occupation in the building and construction trades:
 - (1) (a) By January 1, 2021, at least twenty percent of the skilled journeypersons must be graduates of an apprenticeship program for the applicable occupation approved by the Washington state apprenticeship and training council under chapter 49.04 RCW;
 - (b) By January 1, 2022, at least thirty-five percent of the skilled journeypersons must be graduates of an apprenticeship program for the applicable occupation approved by the Washington state apprenticeship and training council under chapter 49.04 RCW;
 - (c) By January 1, 2023, at least forty-five percent of the skilled journeypersons must be graduates of an apprenticeship program for the applicable occupation approved by the Washington state apprenticeship and training council according to chapter 49.04 RCW; and
 - (d) By January 1, 2024, at least sixty percent of the skilled journeypersons must be graduates of an apprenticeship program for the applicable occupation approved by the Washington state apprenticeship and training council according to chapter 49.04 RCW; and
- 36 (2) By January 1, 2022, all workers in the skilled and trained 37 workforce must have completed within the past three calendar years at 38 least twenty hours of approved advanced safety training for workers 39 at high hazard facilities.

- NEW SECTION. Sec. 4. (1) Failure to comply with the skilled and trained workforce requirements of this chapter, except the requirement that a worker be paid at a rate commensurate with wages typically paid for the occupation, constitutes a violation of chapter 49.17 RCW.
- 6 (2) The wage rate requirement of section 1(7)(b) of this act constitutes a wage payment requirement as defined in RCW 49.48.082.
- <u>NEW SECTION.</u> **Sec. 5.** (1) The department in consultation with 8 the Washington state apprenticeship and training council shall 9 10 prioritize consideration of new apprenticeship programs for workers 11 in high hazard facilities. The Washington state apprenticeship and training council shall issue a decision within six months of the 12 13 acceptance of a completed application for consideration of a new state registered apprenticeship program for workers in high hazard 14 15 facilities.
- 16 (2) This section expires December 31, 2023.
- NEW SECTION. Sec. 6. The department may adopt rules necessary to implement this chapter.
- 19 <u>NEW SECTION.</u> **Sec. 7.** Sections 1 through 6 and 8 of this act 20 constitute a new chapter in Title 49 RCW.
- 21 <u>NEW SECTION.</u> **Sec. 8.** This act takes effect January 1, 2020.

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