

BILL ANALYSIS

H.B. 3357
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties report that some public work contractors misclassify workers as independent contractors to circumvent the law requiring the prevailing wage rate to be paid to a worker employed on a public work. H.B. 3357 seeks to address this problem by prohibiting a contractor who is awarded a public work contract or a subcontractor from improperly classifying a worker employed by it in the execution of the contract as an independent contractor.

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

H.B. 3357 amends the Government Code to prohibit a contractor who is awarded a contract by a public body or a subcontractor of the contractor from improperly classifying a worker employed by it in the execution of the contract as an independent contractor to avoid paying the worker the required prevailing wage rates. The bill establishes that the payment of the required rates may only be satisfied by payment to the employee in the form of per diem wages. The bill requires a contractor or subcontractor who violates provisions requiring prevailing wage rates paid under such a contract to pay to the state or a political subdivision of the state on whose behalf the contract is made \$90 for each worker misclassified as an independent contractor for each calendar day or part of the day that the worker is misclassified. The bill increases from \$60 to \$90 the fine a contractor or subcontractor who violates those provisions must pay to the state or such a political subdivision for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates stipulated in the contract. The bill requires the public body awarding the public work contract to audit the contract to ensure compliance with required prevailing wage rates throughout the term of the contract and not later than the 30th day before the date the work is scheduled to be completed on the contract.

EFFECTIVE DATE

September 1, 2017.