

SENATE BILL No. 480

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-16-7.

Synopsis: Common construction wage. Provides that a taxing unit that enters into a capital project construction agreement must provide the school property tax control board or the local government tax control board with documentation regarding the payment of common construction wages for labor on the project. Provides that a taxing unit must demonstrate that its wage committee considered the categories of classes of labor for each classification to be used in the project, and that it determined the reasonably anticipated costs of providing fringe benefits to workers on similar projects. Provides that a taxing unit must demonstrate that the wage committee considered common construction wage reports and data and based its determination on wages
(Continued next page)

Effective: July 1, 1998.

Harrison

January 14, 1998, read first time and referred to Committee on Pensions and Labor.

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Digest Continued

representative of the county in which the work is to be performed. Provides that the state board of tax commissioners shall review the recommendations of the local government tax control board and school property tax control board as to a taxing unit's compliance with the statute and may review compliance on its own motion. Provides that the state board of tax commissioners may enforce the provisions of the statute.

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Introduced

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

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SENATE BILL No. 480



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 5-16-7-4, AS AMENDED BY P.L.81-1995,
- 2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 1998]: Sec. 4. The definitions in this section apply throughout
- 4 this chapter:
- 5 (1) "Common construction wage" means a scale of wages for each
- 6 class of work described in section 1(c)(1) of this chapter that is
- 7 not less than the common construction wage of all construction
- 8 wages being paid in the county where a project is located, as
- 9 determined by the committee described in section 1(b) of this
- 10 chapter after having considered:
- 11 (A) reports from the department of workforce development;
- 12 and
- 13 (B) any other information submitted by any person to the
- 14 committee established under section 1(b) of this chapter.
- 15 (2) "State of Indiana" includes any officer, board, commission, or



1 other agency authorized by law to award contracts for the
 2 performance of public work on behalf of the state, excepting as
 3 otherwise provided in this chapter.

4 (3) "Municipal corporation" includes any county, city, town, or
 5 school corporation, as well as any officer, board, commission, or
 6 other agency authorized by law to award contracts for the
 7 performance of public work on behalf of any such municipal
 8 corporation. The term also includes a redevelopment commission
 9 established under IC 36-7-14-3.

10 (4) "Public work" includes any public building, highway, street,
 11 alley, bridge, sewer, drain, improvement, or any other work of any
 12 nature or character whatsoever which is paid for out of public
 13 funds, excepting as otherwise provided in this chapter.

14 (5) "Capital project" means any of the following:

15 (A) The acquisition and/or development of any site by a
 16 taxing unit;

17 (B) The acquisition of, leasing of, construction of,
 18 remodeling of, alteration to, and/or installation or
 19 extension of service systems for any building or structure
 20 owned or used by a taxing unit; or

21 (C) The acquisition or lease of any equipment by a taxing
 22 unit in connection with any of the activities described in
 23 this chapter.

24 (6) "Taxing unit" means a taxing unit within the meaning of
 25 IC 6-1.1-1-21.

26 SECTION 2. IC 5-16-7-6 IS ADDED TO THE INDIANA CODE
 27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 28 1, 1998]: **Sec. 6. This chapter applies to all agreements with
 29 construction managers and contractors working on capital projects
 30 provided that the capital project is subject to this chapter.**

31 SECTION 3. IC 5-16-7-7 IS ADDED TO THE INDIANA CODE
 32 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 33 1, 1998]: **Sec. 7. Any taxing unit that enters into an agreement with
 34 a construction manager or contractor for a capital project subject
 35 to this chapter, shall provide the school property tax control board
 36 or the local government tax control board with documentation
 37 regarding the payment of common construction wages for all labor
 38 on the capital project as provided in this chapter.**

39 SECTION 4. IC 5-16-7-8 IS ADDED TO THE INDIANA CODE
 40 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 41 1, 1998]: **Sec. 8. (a) A taxing unit shall be required to demonstrate,
 42 through minutes of the wage committee meeting or other**



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1 documentation, that in determining common construction wages
 2 under this chapter, the wage committee considered the following
 3 factors:

4 (1) A determination of the skilled, semiskilled, and unskilled
 5 classes required by section (1)(c) of this chapter for each trade
 6 or craft classification of labor to be employed in the
 7 performance of the contract for the project.

8 (2) A determination of the reasonably anticipated costs of
 9 providing fringe benefits (including contributions to union
 10 political action committees and to the building trades industry
 11 targeting fund) commonly paid to workers on similar projects
 12 if their exclusion would depress real compensation below the
 13 level commonly set by the private sector.

14 (b) A taxing unit shall be required to demonstrate, through
 15 minutes of the wage committee meeting or other documentation,
 16 that in determining common construction wages under this
 17 chapter, the wage committee:

18 (1) considered common construction wage reports or survey
 19 data compiled by the department of workforce development
 20 and any other information submitted to the wage committee,
 21 including, but not limited to, reports of the U. S. Department
 22 of Labor and collective bargaining agreements between bona
 23 fide organizations of labor and employers; and

24 (2) based its determination on data that the committee
 25 considered to be representative of the wages most commonly
 26 paid in the county where the project is located for the types of
 27 work at issue.

28 (c) If a taxing unit cannot demonstrate that the factors and
 29 information described in subsections (a) and (b) were considered,
 30 the taxing unit shall be required to provide an explanation of the
 31 reasons why such factors and information were not considered.

32 (d) The taxing unit shall produce the data and information
 33 compiled by the committee formed pursuant to this chapter at the
 34 request of the state board of tax commissioners or either control
 35 board.

36 SECTION 5. IC 5-16-7-9 IS ADDED TO THE INDIANA CODE
 37 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 38 1, 1998]: Sec. 9. (a) The local government tax control board and the
 39 school property tax control board shall be responsible for
 40 investigating compliance with this chapter and shall report on a
 41 taxing unit's compliance with this chapter when making its
 42 recommendation to the state board of tax commissioners.



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- 1 **(b) The state board of tax commissioners shall review the**
2 **recommendations of the local government tax control board and**
3 **school property tax control board regarding a taxing unit's**
4 **compliance with this chapter and may make additional inquiries as**
5 **it deems necessary. In addition, the state board of tax**
6 **commissioners may, on its own motion, review a taxing unit's**
7 **compliance with this chapter.**
- 8 **(c) If the board determines that a project is not financially**
9 **prudent based on the factors described in this chapter, the board**
10 **may enforce the provisions of this chapter through any of the**
11 **powers available to the board pursuant to its review of capital**
12 **projects, including, but not limited to, the denial or postponement**
13 **of approval of the project.**

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