

# STATE OF NEW YORK

5475--A

2023-2024 Regular Sessions

## IN SENATE

March 6, 2023

Introduced by Sens. JACKSON, HINCHEY -- read twice and ordered printed, and when printed to be committed to the Committee on Labor -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the labor law, in relation to inclusion of certain off-site custom fabrication as public work for the purposes of payment of prevailing wage

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative findings and intent. The legislature finds and  
2 declares that the prevailing wage law was established to provide fair  
3 and equitable working conditions, wages and supplementary benefits for  
4 persons employed on public works construction projects.

5 The legislature further finds and declares that there are growing  
6 number of instances where custom fabricated materials are fabricated off  
7 the public work job site either to meet the unique specifications of the  
8 project subject to a public work contract or for the contractor's  
9 convenience or to evade the wage requirements imposed by the prevailing  
10 wage law.

11 The legislature further finds and declares that in many instances the  
12 prevailing wage is not paid to persons involved in off-site fabrication  
13 of materials which are used specifically for public works projects to  
14 the detriment of the workers at the site and the local economy where the  
15 public work is situated.

16 The legislature further finds and declares that, in effect, various  
17 custom fabricated materials on local public works construction projects  
18 are being entirely outsourced to workers at a location or locations away  
19 from the project site or in foreign jurisdictions, thereby intentionally  
20 evading the payment of the prevailing wage and benefit package by elimi-  
21 nating the employment of workers at the site of the project to the  
22 detriment of those workers and the local economy.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 It is the intent of the legislature that construction and fabrication  
2 done off the public work site for specific use only in public work  
3 projects be compensated at the prevailing wage rate.

4 § 2. Subdivision 3 of section 220 of the labor law is amended by  
5 adding a new paragraph (f) to read as follows:

6 (f) (i) For the purposes of this subdivision contractors or subcon-  
7 tractors engaged in custom fabrication shall not be regarded as material  
8 suppliers. For the purposes of this subdivision, a legal day's work for  
9 which the prevailing rate of wages for the New York county in which the  
10 public works project is situated shall be paid to laborers, workers and  
11 mechanics shall include custom fabrication regardless of whether the  
12 custom fabrication occurs on-site, off-site or in another jurisdiction  
13 outside the state. It shall be a condition of the contract concerning  
14 all such custom fabrication work that the contractor or employer awarded  
15 the public work contract and any subcontractor thereto shall covenant to  
16 pay the on-site prevailing wage required for workers at the site of the  
17 public work project to those workers performing the custom fabrication.  
18 Each contractor or subcontractor who employs workers off-site for the  
19 custom fabrication work related to a public work project shall maintain  
20 certified payrolls for those workers and provide such payrolls, with  
21 original certifications, to the department at least once every thirty  
22 days. For the purposes of this subdivision the term "custom fabri-  
23 cation" shall include, but not be limited to, the fabrication of exteri-  
24 or or interior wall panel systems, the fabrication of woodwork, cases,  
25 cabinets or counters and the fabrication of electrical, plumbing, heat-  
26 ing, cooling, ventilation or exhaust duct systems, and mechanical insu-  
27 lation solely and specifically designed and engineered for installation  
28 in the construction, repair or renovation of a building which is the  
29 subject of a contract to which the state, a municipal corporation, a  
30 public benefit corporation or a commission appointed pursuant to law is  
31 a party.

32 (ii) The department of jurisdiction shall be required to report to the  
33 fiscal officer the intention to contract for custom, off-site fabri-  
34 cation of any materials on all contracts which may include the employ-  
35 ment of laborers, workers or mechanics in the application to the fiscal  
36 officer for the approval of such contract. The department of jurisdic-  
37 tion's report shall state the name and address of the off-site, custom  
38 fabricator, identify the custom materials that are being fabricated  
39 off-site and the quantity thereof, the estimated cost of the off-site  
40 fabrication, including the transportation of the materials to the site  
41 of the work and the estimated number of workers employed to complete the  
42 custom fabrication at the off-site location. Upon receipt of the depart-  
43 ment of jurisdiction's report, the fiscal officer shall make available  
44 said report to the public through its website.

45 (iii) The fiscal officer shall produce an annual report on the econom-  
46 ic impact to the state businesses and residents due to off-site fabri-  
47 cation.

48 § 3. This act shall take effect on the sixtieth day after it shall  
49 have become a law and shall apply only to those contracts put out to bid  
50 on or after such effective date.