

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB260

Patron: Simonds

Bill Title: Public service companies; prevailing wage rate for underground infrastructure work.

Bill Summary: Directs the Department of Labor and Industry to determine and make available the prevailing wage rate for underground infrastructure work, as defined in the bill, by December 1, 2026. Under the bill, each public service company shall ensure that its bid specifications or other contracts applicable to underground infrastructure work require payment at the prevailing wage rate. The bill requires contractors and subcontractors to post the prevailing wage rate in a prominent and accessible place at the work site. The bill also requires each contractor or subcontractor subject to the provisions of the bill to comply with certain recordkeeping requirements. The provisions of the bill apply to contracts entered into on or after July 1, 2027.

Budget Amendment Necessary: Yes

Items Impacted: 352

Explanation: The bill will result in a fiscal impact to the Department of Labor and Industry (DOLI) that cannot be absorbed within existing appropriation. See table and analysis below.

Fiscal Summary: It is anticipated that this bill will result in a general fund expenditure impact to DOLI, and DOLI will require ongoing general fund appropriations of approximately \$285,000 beginning in FY 2027 to support two additional positions at the agency. If implementation of this bill requires DOLI to develop a prevailing wage system of record, the agency may require an additional one-time general fund appropriation of approximately \$991,500 over the biennium. Information from the agency concerning the system of record is pending.

General Fund Expenditure Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
DOLI	\$0	\$284,735	\$284,735	\$284,735	\$284,735	\$284,735
TOTAL	\$0	\$284,735	\$284,735	\$284,735	\$284,735	\$284,735

Position Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
DOLI	0	2	2	2	2	2
TOTAL	0	2	2	2	2	2

Fiscal Analysis: This fiscal impact estimate is preliminary, with an anticipated general fund expenditure impact of at least \$284,735 in each year. The fiscal impact statement will be updated as additional information is received.

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DOLI received approximately 2,000 requests for technical assistance, cataloged 1,137 prevailing wage determinations, and processed more than 250 additional pay classifications each year. DOLI estimates that each of the 126 public service companies that would be subject to the bill will have on average 10 qualifying projects each year. Based on this anticipated workload, the department would need one Program Manager (\$159,499) to oversee daily operations, ensure consistency and quality control, manage workflow across analysts, and handle the most complex prevailing wage determinations, including projects involving multiple contractors, unusual or disputed classifications, and projects with significant compliance implications. The agency would also need one Prevailing Wage Analyst (\$125,236) who can complete 1,000 wage determinations each year.

It is anticipated that the department may need to upgrade and modernize software infrastructure to maintain a prevailing wage record keeping system at a one-time general fund expense of \$991,487; information from the agency is not yet available. This project would span over two fiscal years, with \$330,496 reflected in FY 2027 and \$660,991 in FY 2028.

Other: None.