April 18, 2001 – Introduced by Representatives Pettis, Suder, Albers, Jeskewitz, Grothman, Urban, Ainsworth, Owens and McCormick. Referred to Committee on Labor and Workforce Development.

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AN ACT *to renumber* 59.52 (29) (a) and 60.47 (1) (a); *to renumber and amend* 61.55; *to amend* 13.48 (19), 16.854 (3), 59.52 (29) (b), 66.0133 (3), 84.06 (2) (a), 86.31 (2) (b), 119.04 (1), 229.44 (4) (d), 229.68 (4) (d) and 229.824 (4) (d); and *to create* 16.855 (14m), 20.931, 59.52 (29) (ae), 59.52 (29) (c), 60.47 (1) (ae), 60.47 (5m), 61.55 (title), 61.55 (1), 61.55 (3), 62.15 (1e), 62.15 (15), 85.017, 118.265, 200.01 (3s), 200.11 (5m), 200.21 (5s), 200.47 (6), 229.41 (8m), 229.46 (8), 229.65 (6m), 229.682 (9), 229.821 (8m) and 229.827 (4) of the statutes; **relating to:** requirements concerning participation by labor organizations in public construction contracts and the expenditure of public grant moneys.

Analysis by the Legislative Reference Bureau

This bill requires the department of administration, or the secretary of transportation with respect to transportation—related projects, to ensure that the specifications for bids and contracts for state construction projects and construction projects of local professional baseball park districts do not:

1. Require any bidder, contractor, or subcontractor to enter into or to adhere to an agreement with any labor organization concerning services to be performed in relation to the project or a related project.

- 2. Discriminate against any bidder, contractor, or subcontractor for refusing to enter into or continue to adhere to an agreement with any labor organization concerning services to be performed in relation to the project or a related project.
- 3. Require any bidder, contractor, or subcontractor to enter into, continue to adhere to, or enforce any agreement that requires its employees, as a condition of employment, to become members of or become affiliated with a labor organization.

The bill also prohibits any state agency from conditioning the award of any state grant upon any agreement by the recipient:

- 1. To enter into or continue to adhere to an agreement with any labor organization concerning services to be funded under the grant.
- 2. To enter into, continue to adhere to, or enforce any agreement that requires services that are funded under the grant to be performed by employees who must become members of or become affiliated with a labor organization.

The bill also requires a school board, the governing body of a political subdivision of this state (a city, village, town, or county), a metropolitan sewerage district, a local exposition district, a local professional baseball park district, or a local professional football stadium district to ensure that the specifications for bids and contracts for public works projects conducted by the school board, political subdivision, metropolitan sewerage district, local exposition district, or local professional baseball park district, including highway projects, do not:

- 1. Require any bidder, contractor, or subcontractor to enter into or to adhere to an agreement with any labor organization concerning services to be performed in relation to the project or a related project.
- 2. Discriminate against any bidder, contractor, or subcontractor for refusing to enter into or continue to adhere to an agreement with any labor organization concerning services to be performed in relation to the project or a related project.
- 3. Require any bidder, contractor or subcontractor to enter into, continue to adhere to, or enforce any agreement that requires its employees, as a condition of employment, to become members of or become affiliated with a labor organization.

Under current law, state agencies have only the powers given to them by law or necessarily inferred therefrom. These powers do not include the authority to condition the award of state contracts or grants upon agreements with labor organizations, representation by labor organizations, or making of payments to labor organizations. With certain exceptions, state construction contracts are generally required to be awarded to the lowest responsible bidder. With certain exceptions, the contractor for a state building project is required to pay employees who perform work under the contract the prevailing wage for similar work in the area where the project is located. State grants are subject to the specific requirements of various laws under which the grants are made. Currently, state law prohibits any employer from entering into a contract with an employee or prospective employee concerning membership or nonmembership in a labor organization.

Currently, with certain exceptions, public works contracts with a political subdivision, metropolitan sewerage district, or local exposition district are generally required to be awarded to the lowest responsible bidder. With certain exceptions, persons who contract with a political subdivision, metropolitan sewerage district,

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local exposition district, or local professional baseball park district for public works projects are required to pay employees who perform work under such a contract the prevailing wage for similar work in the area where the project is located.

Under current law, towns and counties have only the powers given to them by law or necessarily inferred therefrom. These powers do not include the authority to condition the award of public works contracts upon agreements with labor organizations, representation by labor organizations, or making of payments to labor organizations. To the extent that the lowest responsible bidder requirements or other exceptions do not apply, cities and villages, under their current law home rule authority, could condition the award of public works contracts upon agreements with labor organizations.

For further information see the *local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 13.48 (19) of the statutes is amended to read:

13.48 (19) Alternatives to state construction. Whenever the building commission determines that the use of innovative types of design and construction processes will make better use of the resources and technology available in the building industry, the building commission may waive any or all provision of s. 16.855, except s. 16.855 (14m), if such action is in the best interest of the state and if the waiver is accomplished through formal action of the building commission. The building commission may authorize the lease, lease purchase or acquisition of such facilities constructed in the manner authorized by the building commission. The building commission may also authorize the lease, lease purchase or acquisition of existing facilities in lieu of state construction of any project enumerated in the authorized state building program.

SECTION 2. 16.854 (3) of the statutes is amended to read:

16.854 (3) It shall be a goal of the department, with regard to each of the contracts described under sub. (2) (a), (b), and (c), to award at least 25% of the dollar

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to do any of the following:

1 value of such contracts to minority businesses and at least 5% of the dollar value of 2 such contracts to women's businesses. 3 (4) Sections 16.85, 16.855 (1) to (14) and (15) to (22), and 16.87 do not apply to 4 services provided or contracted by the department under this section. 5 **Section 3.** 16.855 (14m) of the statutes is created to read: 6 16.855 (14m) (a) In this subsection, "labor organization" has the meaning given 7 in s. 5.02 (8m). 8 (b) The department shall ensure that the specifications for bids and contracts 9 for construction projects entered into under this section do not do any of the 10 following: 11 1. Require any bidder, contractor, or subcontractor to enter into or to adhere to 12 an agreement with any labor organization concerning services to be performed in 13 relation to the project or a related project. 14 2. Discriminate against any bidder, contractor, or subcontractor for refusing to 15 enter into or continue to adhere to an agreement with any labor organization 16 concerning services to be performed in relation to the project or a related project. 17 3. Require any bidder, contractor, or subcontractor to enter into, continue to 18 adhere to, or enforce any agreement that requires its employees, as a condition of 19 employment, to become members of or become affiliated with a labor organization. 20 **Section 4.** 20.931 of the statutes is created to read: 21 20.931 Conditions upon state grants prohibited. (1) In this section, 22 "labor organization" has the meaning given in s. 5.02 (8m). 23 **(2)** No state agency may condition the award of any grant made by the agency

from moneys appropriated under this chapter upon any agreement by the recipient

(a) Enter into or continue to adhere to an agreement with any labor
organization concerning services to be funded under the grant.
(b) Enter into, continue to adhere to, or enforce any agreement that requires
services that are funded under the grant to be performed by employees who must
become members of or become affiliated with a labor organization.
SECTION 5. 59.52 (29) (a) of the statutes is renumbered 59.52 (29) (am).
Section 6. 59.52 (29) (ae) of the statutes is created to read:
59.52 (29) (ae) In this subsection, "labor organization" has the meaning given
in s. 5.02 (8m).
SECTION 7. 59.52 (29) (b) of the statutes is amended to read:
59.52 (29) (b) The provisions of par. (a) (am) are not mandatory for the repair
or reconstruction of public facilities when damage or threatened damage thereto
creates an emergency, as determined by resolution of the board, in which the public
health or welfare of the county is endangered. Whenever the board by majority vote
at a regular or special meeting determines that an emergency no longer exists, this
paragraph no longer applies.
SECTION 8. 59.52 (29) (c) of the statutes is created to read:
59.52 (29) (c) The board shall ensure that the specifications for bids and
contracts for construction projects entered into under this subsection do not do any
of the following:
1. Require any bidder, contractor, or subcontractor to enter into or to adhere to
an agreement with any labor organization concerning services to be performed in
relation to the project or a related project.

2. Discriminate against any bidder, contractor, or subcontractor for refusing to
enter into or continue to adhere to an agreement with any labor organization
concerning services to be performed in relation to the project or a related project.
3. Require any bidder, contractor, or subcontractor to enter into, continue to
adhere to, or enforce any agreement that requires its employees, as a condition of
employment, to become members of or become affiliated with a labor organization.
Section 9. 60.47 (1) (a) of the statutes is renumbered 60.47 (1) (am).
SECTION 10. 60.47 (1) (ae) of the statutes is created to read:
60.47 (1) (ae) "Labor organization" has the meaning given in s. 5.02 (8m).
SECTION 11. 60.47 (5m) of the statutes is created to read:
60.47 (5m) Contracts with labor organizations. The town board shall ensure
that the specifications for bids and contracts for construction projects entered into
under this section do not do any of the following:
(a) Require any bidder, contractor, or subcontractor to enter into or to adhere
to an agreement with any labor organization concerning services to be performed in
relation to the project or a related project.
(b) Discriminate against any bidder, contractor, or subcontractor for refusing
to enter into or continue to adhere to an agreement with any labor organization
concerning services to be performed in relation to the project or a related project.
(c) Require any bidder, contractor, or subcontractor to enter into, continue to
adhere to, or enforce any agreement that requires its employees, as a condition of
employment, to become members of or become affiliated with a labor organization.
SECTION 12. 61.55 (title) of the statutes is created to read:

61.55 (title) Public contracts and competitive bidding.

SECTION 13. 61.55 of the statutes is renumbered 61.55 (2) and amended to read:

61.55 (2) Contracts involving over \$15,000; how let; exception. All contracts
for public construction, in any such village, exceeding \$15,000, shall be let by the
village board to the lowest responsible bidder in accordance with s. 66.0901 insofar
as said that section may be applicable. If the estimated cost of any public
construction exceeds \$5,000, but is not greater than \$15,000, the village board shall
give a class 1 notice, under ch. 985, of the proposed construction before the contract
for the construction is executed. This provision does not apply to public construction
if the materials for such a project are donated or if the labor for such a project is
provided by volunteers, and this provision and s. 281.41 are not mandatory for the
repair and reconstruction of public facilities when damage or threatened damage
thereto creates an emergency, as determined by resolution of the village board, in
which the public health or welfare of the village is endangered. Whenever the village
board by majority vote at a regular or special meeting declares that an emergency
no longer exists, this exemption no longer applies.

- **Section 14.** 61.55 (1) of the statutes is created to read:
- 16 61.55 **(1)** Definition. In this section, "labor organization" has the meaning given in s. 5.02 (8m).
 - **SECTION 15.** 61.55 (3) of the statutes is created to read:
 - 61.55 (3) Contracts with labor organizations. The village board shall ensure that the specifications for bids and contracts for construction projects entered into under this section do not do any of the following:
 - (a) Require any bidder, contractor, or subcontractor to enter into or to adhere to an agreement with any labor organization concerning services to be performed in relation to the project or a related project.

(b) Discriminate against any bidder, contractor, or subcontractor for refusing
to enter into or continue to adhere to an agreement with any labor organization
concerning services to be performed in relation to the project or a related project.
(c) Require any bidder, contractor, or subcontractor to enter into, continue to
adhere to, or enforce any agreement that requires its employees, as a condition of
employment, to become members of or become affiliated with a labor organization.
SECTION 16. 62.15 (1e) of the statutes is created to read:
62.15 (1e) Definition. In this section, "labor organization" has the meaning
given in s. 5.02 (8m).
SECTION 17. 62.15 (15) of the statutes is created to read:
62.15 (15) CONTRACTS WITH LABOR ORGANIZATIONS. The common council shall
ensure that the specifications for bids and contracts for construction projects entered
into under this section do not do any of the following:
(a) Require any bidder, contractor, or subcontractor to enter into or to adhere
to an agreement with any labor organization concerning services to be performed in
relation to the project or a related project.
(b) Discriminate against any bidder, contractor, or subcontractor for refusing
to enter into or continue to adhere to an agreement with any labor organization
concerning services to be performed in relation to the project or a related project.
(c) Require any bidder, contractor, or subcontractor to enter into, continue to
adhere to, or enforce any agreement that requires its employees, as a condition of
employment, to become members of or become affiliated with a labor organization.
SECTION 18. 66.0133 (3) of the statutes is amended to read:
66.0133 (3) Notice. Notwithstanding ss. 27.065 (5) (a), 30.32, 38.18, 43.17 (9)

(a), 59.52 (29) (a) (am), 59.70 (11), 60.47 (2) to (4), 60.77 (6) (a), 61.55, 61.56, 61.57,

62.15 (1), 62.155, 66.0131 (2), 66.0923 (10), 66.0925 (10), 66.0927 (11), 66.1333 (5) (a) 2., 200.11 (5) (d), and 200.47 (2), before entering into a performance contract under this section, a local governmental unit shall solicit bids or competitive sealed proposals from qualified providers. A local governmental unit may only enter into a performance contract if the contract is awarded by the governing body of the local governmental unit. The governing body shall give at least 10 days' notice of the meeting at which the body intends to award a performance contract. The notice shall include a statement of the intent of the governing body to award the performance contract, the names of all potential parties to the proposed performance contract, and a description of the energy conservation and facility improvement measures included in the performance contract. At the meeting, the governing body shall review and evaluate the bids or proposals submitted by all qualified providers and may award the performance contract to the qualified provider that best meets the needs of the local governmental unit, which need not be the lowest cost provider.

SECTION 19. 84.06 (2) (a) of the statutes is amended to read:

84.06 (2) (a) All such highway improvements shall be executed by contract based on bids unless the department finds that another method as provided in sub. (3) or (4) would be more feasible and advantageous. Bids shall be advertised for in the manner determined by the department. Except as provided in s. 84.075, the contract shall be awarded to the lowest competent and responsible bidder as determined by the department. If the bid of the lowest competent bidder is determined by the department to be in excess of the estimated reasonable value of the work or not in the public interest, all bids may be rejected. The department shall, so far as reasonable, follow uniform methods of advertising for bids and may prescribe and require uniform forms of bids and contracts. Except as provided in par.

(b), the secretary shall enter into the contract on behalf of the state. Every such contract is exempted from ss. 16.70 to 16.75, 16.755 to 16.82, 16.87, and 16.89, but ss. 16.528, 16.752, and 16.754 apply to the contract. Contracts under this section are subject to s. 85.017. Any such contract involving an expenditure of \$1,000 or more shall not be valid until approved by the governor. The secretary may require the attorney general to examine any contract and any bond submitted in connection with the contract and report on its sufficiency of form and execution. The bond required by s. 779.14 (1m) is exempt from approval by the governor and shall be subject to approval by the secretary. This subsection also applies to contracts with private contractors based on bids for maintenance under s. 84.07.

Section 20. 85.017 of the statutes is created to read:

- **85.017** Contracts conditioned on use of labor organizations prohibited. (1) In this section, "labor organization" has the meaning given in s. 5.02 (8m).
- **(2)** The secretary shall ensure that the specifications for bids and contracts for construction or maintenance projects entered into by the secretary or the department do not do any of the following:
- (a) Require any bidder, contractor, or subcontractor to enter into or to adhere to an agreement with any labor organization concerning services to be performed in relation to the project or a related project.
- (b) Discriminate against any bidder, contractor, or subcontractor for refusing to enter into or continue to adhere to an agreement with any labor organization concerning services to be performed in relation to the project or a related project.

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(c) Require any bidder, contractor, or subcontractor to enter into, continue to
adhere to, or enforce any agreement that requires its employees, as a condition of
employment, to become members of or become affiliated with a labor organization
SECTION 21. 86.31 (2) (b) of the statutes is amended to read:
86.31 (2) (b) Except as provided in par. (d), improvements for highway
construction projects funded under the program shall be under contracts. Such The
contracts are subject to ss. 59.52 (29) (c), 60.47 (5m), 61.55 (3), and 62.15 (15). The
contracts shall be awarded on the basis of competitive bids and shall be awarded to
the lowest responsible bidder. If a city or village does not receive a responsible bid
for an improvement, the city or village may contract with a county for the
improvement. A town may contract with a county for the improvement subject to the
criteria and procedures promulgated as rules under sub. (6) (h).
SECTION 22. 118.265 of the statutes is created to read:
118.265 Contracts with labor organizations. (1) In this section, "labor
organization" has the meaning given in s. 5.02 (8m).
(2) The school board shall ensure that the specifications for bids and contracts
for construction projects entered into by the school board do not do any of the
following:
(a) Require any bidder, contractor, or subcontractor to enter into or to adhere
to an agreement with any labor organization concerning services to be performed in
relation to the project or a related project.
(b) Discriminate against any bidder, contractor, or subcontractor for refusing

to enter into or continue to adhere to an agreement with any labor organization

concerning services to be performed in relation to the project or a related project.

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1	(c) Require any bidder, contractor, or subcontractor to enter into, continue to
2	adhere to, or enforce any agreement that requires its employees, as a condition of
3	employment, to become members of or become affiliated with a labor organization.
4	Section 23. 119.04 (1) of the statutes is amended to read:
5	119.04 (1) Subchapters IV, V and VII of ch. 115, ch. 121 and ss. 66.0235 (3) (c),
6	115.01 (1) and (2), 115.28, 115.31, 115.33, 115.34, 115.343, 115.345, 115.361, 115.38
7	(2), 115.45, 118.001 to 118.04, 118.045, 118.06, 118.07, 118.10, 118.12, 118.125 to
8	118.14, 118.145 (4), 118.15, 118.153, 118.16, 118.162, 118.163, 118.164, 118.18,
9	118.19, 118.20, 118.24 (1), (2) (c) to (f), (6) and (8), 118.245, 118.255, 118.258, <u>118.265</u> ,
10	118.291, 118.30 to 118.43, 118.51, 118.52, 118.55, 120.12 (5) and (15) to (26), 120.125,
11	120.13 (1), (2) (b) to (g), (3), (14), (17) to (19), (26), (34), (35) and (37), 120.14 and
12	120.25 are applicable to a 1st class city school district and board.
13	Section 24. 200.01 (3s) of the statutes is created to read:
14	200.01 (3s) "Labor organization" has the meaning given in s. 5.02 (8m).
15	Section 25. 200.11 (5m) of the statutes is created to read:
16	200.11 (5m) Contracts with labor organizations. The commission shall
17	ensure that the specifications for bids and contracts for construction projects entered
18	into under sub. (5) do not do any of the following:
19	(a) Require any bidder, contractor, or subcontractor to enter into or to adhere

to an agreement with any labor organization concerning services to be performed in

to enter into or continue to adhere to an agreement with any labor organization

concerning services to be performed in relation to the project or a related project.

(b) Discriminate against any bidder, contractor, or subcontractor for refusing

relation to the project or a related project.

(c) Require any bidder, contractor, or subcontractor to enter into, continue to
adhere to, or enforce any agreement that requires its employees, as a condition of
employment, to become members of or become affiliated with a labor organization.
SECTION 26. 200.21 (5s) of the statutes is created to read:
200.21 (5s) "Labor organization" has the meaning given in s. 5.02 (8m).
SECTION 27. 200.47 (6) of the statutes is created to read:
200.47 (6) CONTRACTS WITH LABOR ORGANIZATIONS. The commission shall ensure
that the specifications for bids and contracts for construction projects entered into
under this section do not do any of the following:
(a) Require any bidder, contractor, or subcontractor to enter into or to adhere
to an agreement with any labor organization concerning services to be performed in
relation to the project or a related project.
(b) Discriminate against any bidder, contractor, or subcontractor for refusing
to enter into or continue to adhere to an agreement with any labor organization
concerning services to be performed in relation to the project or a related project.
(c) Require any bidder, contractor, or subcontractor to enter into, continue to
adhere to, or enforce any agreement that requires its employees, as a condition of
employment, to become members of or become affiliated with a labor organization.
Section 28. 229.41 (8m) of the statutes is created to read:
229.41 (8m) "Labor organization" has the meaning given in s. 5.02 (8m).
SECTION 29. 229.44 (4) (d) of the statutes is amended to read:
229.44 (4) (d) Enter into contracts. All contracts, the estimated costs of which
exceed \$30,000 <u>, are subject to s. 229.46 (8)</u> , except contracts subject to s. 229.46 (5)
and contracts for personal or professional services,. The contracts shall be subject

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1	to bid and shall be awarded to the lowest qualified and competent bidder. The district
2	may reject any bid that is submitted under this paragraph.
3	SECTION 30. 229.46 (8) of the statutes is created to read:
4	229.46 (8) The district shall ensure that the specifications for bids and
5	contracts for construction projects entered into under this subchapter do not do any
6	of the following:
7	(a) Require any bidder, contractor, or subcontractor to enter into or to adhere
8	to an agreement with any labor organization concerning services to be performed in
9	relation to the project or a related project.
10	(b) Discriminate against any bidder, contractor, or subcontractor for refusing
11	to enter into or continue to adhere to an agreement with any labor organization
12	concerning services to be performed in relation to the project or a related project.
13	(c) Require any bidder, contractor, or subcontractor to enter into, continue to
14	adhere to, or enforce any agreement that requires its employees, as a condition of
15	employment, to become members of or become affiliated with a labor organization.
16	SECTION 31. 229.65 (6m) of the statutes is created to read:
17	229.65 (6m) "Labor organization" has the meaning given in s. 5.02 (8m).
18	SECTION 32. 229.68 (4) (d) of the statutes is amended to read:
19	229.68 (4) (d) Enter into contracts, subject to s. 229.682 (9) and to such
20	standards as may be established by the district board. The district board may award
21	any such contract for any combination or division of work it designates and, subject
22	to s. 229.682 (9), may consider any factors in awarding a contract, including price,
23	time for completion of work and qualifications and past performance of a contractor.

SECTION 33. 229.682 (9) of the statutes is created to read:

229.682 (9) Contracts with labor organizations. The district shall ensure
that the specifications for bids and contracts for construction projects entered into
under this subchapter do not do any of the following:
(a) Require any bidder, contractor, or subcontractor to enter into or to adhere
to an agreement with any labor organization concerning services to be performed in
relation to the project or a related project.
(b) Discriminate against any bidder, contractor, or subcontractor for refusing
to enter into or continue to adhere to an agreement with any labor organization
concerning services to be performed in relation to the project or a related project.
(c) Require any bidder, contractor, or subcontractor to enter into, continue to
adhere to, or enforce any agreement that requires its employees, as a condition of
employment, to become members of or become affiliated with a labor organization.
SECTION 34. 229.821 (8m) of the statutes is created to read:
229.821 (8m) "Labor organization" has the meaning given in s. 5.02 (8m).
SECTION 35. 229.824 (4) (d) of the statutes is amended to read:
229.824 (4) (d) Enter into contracts, subject to s. 229.827 (4) and to such
standards as may be established by the district board. The district board may award
any such contract for any combination or division of work it designates and, subject
to s. 229.827 (4), may consider any factors in awarding a contract, including price,
time for completion of work and qualifications and past performance of a contractor.
SECTION 36. 229.827 (4) of the statutes is created to read:
229.827 (4) The district shall ensure that the specifications for bids and
contracts for construction projects entered into under this subchapter do not do any

subsection.

(a) Require any bidder, contractor, or subcontractor to enter into or to adhere
to an agreement with any labor organization concerning services to be performed in
relation to the project or a related project.
(b) Discriminate against any bidder, contractor, or subcontractor for refusing
to enter into or continue to adhere to an agreement with any labor organization
concerning services to be performed in relation to the project or a related project.
(c) Require any bidder, contractor, or subcontractor to enter into, continue to
adhere to, or enforce any agreement that requires its employees, as a condition of
employment, to become members of or become affiliated with a labor organization.
SECTION 37. Initial applicability.
(1) This act first applies to grants that are made and bids and contracts that
are let, entered into, extended, modified, or renewed on the effective date of this

(END)