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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO PUBLIC PROPERTY AND WORKS -- LABOR AND PAYMENT OF DEBTS
BY CONTRACTORS

Introduced By: Representatives Corvese, Read, Dawson, Casey, Solomon, Kennedy,
DeSimone, Azzinaro, Phillips, and Noret

Date Introduced: February 27, 2026

Referred To: House Labor

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 37-13-3, 37-13-3.2, 37-13-7, 37-13-9 and 37-13-11 of the General
2 Laws in Chapter 37-13 entitled "Labor and Payment of Debts by Contractors" are hereby amended
3 to read as follows:

4 **37-13-3. Contractors subject to provisions — Weekly payment of employees.**

5 All contractors, who have been awarded contracts for public works by an awarding agency
6 or authority of the state or of any city, town, committee, or by any person or persons therein, in
7 which state or municipal funds are used and of which the contract price shall be ~~in excess of one~~
8 ~~thousand dollars (\$1,000)~~ one hundred thousand dollars (\$100,000) or more, whether payable at
9 the time of the signing of the contract or at a later date, and their subcontractors, on those public
10 works shall pay their employees at weekly intervals and shall comply with the provisions set forth
11 in §§ 37-13-4 — 37-13-14 and § 37-13-16.

12 **37-13-3.2. Entities subject to provisions — Weekly payment of employees.**

13 All persons, firms, corporations, or other entities who or that have been awarded school
14 transportation service contracts by an awarding agency or authority of the state or of any city, town,
15 committee, or by any person or persons therein, in which state or municipal funds are used and of
16 which the contract price shall be ~~in excess of one thousand dollars (\$1,000)~~ one hundred thousand
17 dollars (\$100,000) or more, whether payable at the time of the signing of the contract or at a later
18 date, and their subcontractors, engaged as part of the service contract, shall pay their employees at

1 weekly intervals and shall comply with the provisions set forth in §§ 37-13-6 through 37-13-13.1,
2 37-13-14.1, and 37-13-16.

3 **37-13-7. Specification in contract of amount and frequency of payment of wages.**

4 (a) Every call for bids for every contract ~~in excess of one thousand dollars (\$1,000)~~ of one
5 hundred thousand dollars (\$100,000) or more, to which the state of Rhode Island or any political
6 subdivision thereof or any public agency or quasi-public agency is a party, for the transportation of
7 public and private school pupils pursuant to §§ 16-21-1 and 16-21.1-8, or for construction,
8 alteration, and/or repair, including painting and decorating, of public buildings or public works of
9 the state of Rhode Island or any political subdivision thereof, or any public agency or quasi-public
10 agency and that requires or involves the employment of employees, shall contain a provision stating
11 the minimum wages to be paid various types of employees which shall be based upon the wages
12 that will be determined by the director of labor and training to be prevailing for the corresponding
13 types of employees employed on projects of a character similar to the contract work in the city,
14 town, village, or other appropriate political subdivision of the state of Rhode Island in which the
15 work is to be performed. Every contract shall contain a stipulation that the contractor or his or her
16 subcontractor shall pay all the employees employed directly upon the site of the work,
17 unconditionally and not less often than once a week, and without subsequent deduction or rebate
18 on any account, the full amounts accrued at time of payment computed at wage rates not less than
19 those stated in the call for bids, regardless of any contractual relationships that may be alleged to
20 exist between the contractor or subcontractor and the employees, and that the scale of wages to be
21 paid shall be posted by the contractor in a prominent and easily accessible place at the site of the
22 work; and the further stipulation that there may be withheld from the contractor so much of the
23 accrued payments as may be considered necessary to pay to the employees employed by the
24 contractor, or any subcontractor on the work, the difference between the rates of wages required by
25 the contract to be paid the employees on the work and the rates of wages received by the employees
26 and not refunded to the contractor, subcontractors, or their agents.

27 (b) The terms “wages,” “scale of wages,” “wage rates,” “minimum wages,” and “prevailing
28 wages” shall include:

29 (1) The basic hourly rate of pay; and

30 (2) The amount of:

31 (i) The rate of contribution made by a contractor or subcontractor to a trustee or to a third
32 person pursuant to a fund, plan, or program; and

33 (ii) The rate of costs to the contractor, subcontractor, vendor, or provider that may be
34 reasonably anticipated in providing benefits to employees pursuant to an enforceable commitment

1 to carry out a financially responsible plan or program that was communicated in writing to the
2 employees affected, for medical or hospital care, pensions on retirement or death, compensation
3 for injuries or illness resulting from occupational activity, or insurance to provide any of the
4 foregoing, for unemployment benefits, life insurance, disability and sickness insurance, or accident
5 insurance, for vacation and holiday pay, for defraying costs of apprenticeship or other similar
6 programs, or for other bona fide fringe benefits, but only where the contractor or subcontractor is
7 not required by other federal, state, or local law to provide any of the benefits; provided, that the
8 obligation of a contractor or subcontractor to make payment in accordance with the prevailing wage
9 determinations of the director of labor and training insofar as this chapter of this title and other acts
10 incorporating this chapter of this title by reference are concerned may be discharged by the making
11 of payments in cash, by the making of contributions of a type referred to in subsection (b)(2), or by
12 the assumption of an enforceable commitment to bear the costs of a plan or program of a type
13 referred to in this subdivision, or any combination thereof, where the aggregate of any payments,
14 contributions, and costs is not less than the rate of pay described in subsection (b)(1) plus the
15 amount referred to in subsection (b)(2).

16 (A) Notwithstanding any other law, rule, regulation, agreement, or practice to the contrary,
17 commencing on July 1, 2024, a contractor or subcontractor is not permitted to make a payment of
18 the cash equivalent of any applicable healthcare benefit, as predetermined per each classification
19 by the director of labor and training, directly to the employee in lieu of actually purchasing the
20 healthcare benefit for said employee for the applicable time period. The contractor or subcontractor
21 shall actually purchase the healthcare benefit for the employee for the covered period of time from
22 a licensed third-party healthcare provider. Provided, however, exempt from the provisions of this
23 subsection (b)(2)(ii)(A) shall be:

24 (I) Any employee currently receiving a healthcare benefit because of their relationship as
25 a child, spouse, or domestic partner of a covered person or any employee who is the recipient of
26 healthcare coverage in connection with active military service or through Veterans Affairs; and

27 (II) Any employee who is employed on a “short-term basis,” which, for purposes of this
28 section, shall mean a period of ninety (90) days or less.

29 (B) The contractor or subcontractor shall provide a proof of purchase of the healthcare
30 benefit to the employee and the employee’s bargaining agent, if applicable. “Proof of purchase”
31 means documents substantially similar to declaration pages in an insurance policy indicating the
32 entity providing the healthcare benefit coverage or insurance therefor; the identity of the individual
33 covered; the type and amount of coverage; and the coverage period.

34 (C) Notwithstanding any other law, rule, regulation, agreement, or practice to the contrary,

1 commencing on July 1, 2025, unless employed ninety (90) days or less, a contractor or
2 subcontractor shall not be permitted to make a payment of the cash equivalent of any applicable
3 retirement or pension benefit, as predetermined per each classification by the director of the
4 department of labor and training, directly to the employee in lieu of actually purchasing the
5 retirement and/or pension benefit for said employee. The department of labor and training may
6 require any contractor or subcontractor to provide proof that it is providing this benefit to its eligible
7 employees.

8 (D) Any contractor or subcontractor who or that fails to comply with the requirements of
9 this section shall be required to pay a civil penalty to the director of labor and training in an amount
10 of not less than one thousand dollars (\$1,000) and not greater than three thousand dollars (\$3,000)
11 per violation. Penalties shall be recoverable in a civil action pursuant to this section by the director
12 of labor and training.

13 (E) The director of labor and training is authorized to obtain injunctive relief against
14 continuing violations of the provisions of this section.

15 (F) Any employee or bargaining agent who has been aggrieved by the failure of a contractor
16 or subcontractor to actually purchase the healthcare benefit for employees and provide the
17 employee and/or their bargaining agent with proof of purchase under this section may pursue a
18 private right of action under the terms of § 37-13-17.

19 (c) The term “employees,” as used in this section, shall include:

20 (1) Employees of contractors or subcontractors performing jobs on various types of public
21 works including mechanics, apprentices, teamsters, chauffeurs, and laborers engaged in the
22 transportation of gravel or fill to the site of public works, the removal and/or delivery of gravel or
23 fill or ready-mix concrete, sand, bituminous stone, or asphalt flowable fill from the site of public
24 works, or the transportation or removal of gravel or fill from one location to another on the site of
25 public works, and the employment of the employees shall be subject to the provisions of
26 subsections (a) and (b); and

27 (2) Persons employed by a provider contracted for the purpose of transporting public and
28 private school pupils pursuant to §§ 16-21-1 and 16-21.1-8 shall be subject to the provisions of
29 subsections (a) and (b) of this section. For the purposes of this subsection the term employee
30 includes school bus drivers, aides, and monitors who are directly providing transportation services;
31 the term employee does not include mechanics, dispatchers, or other personnel employed by the
32 vendor whose duties are normally performed at a fixed location.

33 (d) The terms “public agency” and “quasi-public agency” shall include, but not be limited
34 to: the Rhode Island industrial recreational building authority, the Rhode Island commerce

1 corporation, the Rhode Island airport corporation, the Rhode Island industrial facilities corporation,
2 the Rhode Island refunding bond authority, the Rhode Island housing and mortgage finance
3 corporation, the Rhode Island resource recovery corporation, the Rhode Island public transit
4 authority, the Rhode Island student loan authority, the water resources board corporate, the Rhode
5 Island health and education building corporation, the Rhode Island turnpike and bridge authority,
6 the Narragansett Bay water quality management district commission, the Rhode Island
7 telecommunications authority, the convention center authority, the council on postsecondary
8 education, the council on elementary and secondary education, the capital center commission, the
9 housing resources commission, the Quonset Point-Davisville management corporation, the Rhode
10 Island children's crusade for higher education, the Rhode Island depositors economic protection
11 corporation, the Rhode Island lottery commission, the Rhode Island partnership for science and
12 technology, the Rhode Island public building authority, and the Rhode Island underground storage
13 tank board.

14 (e) If any one or more subsections of this section shall for any reason be adjudged
15 unconstitutional or otherwise invalid, the judgment shall not affect, impair, or invalidate the
16 remaining subsections.

17 **37-13-9. Statutory provisions included in contracts.**

18 A copy of §§ 37-13-5, 37-13-6, and 37-13-7 shall be inserted in all contracts for public
19 works or school transportation services awarded by the state, any city, town, committee, an
20 authorized agency, or awarding authority thereof, or any person or persons in their behalf in which
21 state or municipal funds are used if the contract price is ~~in excess of one thousand dollars (\$1,000)~~
22 one hundred thousand dollars (\$100,000) or more.

23 **37-13-11. Posting of prevailing wage rates.**

24 Each contractor or provider awarded a contract for public works or school transportation
25 services with a contract price ~~in excess of one thousand dollars (\$1,000)~~ of one hundred thousand
26 dollars (\$100,000) or more, and each subcontractor who performs work on those public works,
27 shall post in conspicuous places on the project, where covered workers are employed, posters that
28 contain the current, prevailing rate of wages and the current, prevailing rate of payments to the
29 funds required to be paid for each craft or type of worker employed to execute the contract as set
30 forth in §§ 37-13-6 and 37-13-7, and the rights and remedies of any employee described in § 37-
31 13-17 for nonpayment of any wages earned pursuant to this chapter. Posters shall be furnished to
32 contractors and subcontractors by the director of labor and training, who shall determine the size
33 and context thereof from time to time, at the time a contract is awarded. A contractor or
34 subcontractor who fails to comply with the provisions of this section shall be deemed guilty of a

1 misdemeanor and shall pay to the director of labor and training one hundred dollars (\$100) for each
2 calendar day of noncompliance as determined by him or her. Contracts set forth in this section shall
3 not be awarded by the state, any city, town, or any agency thereof until the director of labor and
4 training has prepared and delivered the posters to the division of purchases, if the state or any
5 agency thereof is the proper authority, or to the city, town, or an agency thereof, if it is the proper
6 authority, and the contractor to whom the contract is to be awarded.

7 SECTION 2. Chapter 37-13 of the General Laws entitled "Labor and Payment of Debts by
8 Contractors" is hereby amended by adding thereto the following section:

9 **37-13-7.1. Municipal public works -- Prevailing wage enforcement, payroll, and**
10 **penalties.**

11 (a) Scope and applicability. This section applies only to municipal contracts for
12 construction, alteration, or repair of public works with a contract value of one hundred thousand
13 dollars (\$100,000) or more on behalf of any city or town in Rhode Island.

14 (b) Prevailing wage requirement. Contractors and subcontractors shall pay wages and
15 benefits, according to rates determined by the director of the department of labor and training
16 (DLT). Wage definitions, payment frequency, and posting requirements remain governed by § 37-
17 13-7.

18 (c) Municipal oversight and compliance. Municipalities shall assist in enforcing prevailing
19 wage requirements by:

20 (1) Ensuring prevailing wage requirements are in bid specifications;

21 (2) Receiving and reviewing certified payrolls on a monthly basis and in a timely manner
22 from contractors and subcontractors;

23 (3) Reporting suspected wage violations to the DLT as soon as possible;

24 (4) Coordinating with the DLT on any required follow up. Enforcement authority including
25 withholding payments and imposing penalties, rests exclusively with the DLT. Upon a finding of
26 noncompliance, payment shall be withheld until the violation is resolved, consistent with applicable
27 law.

28 (5) Filing a claim against the contractor's payment or performance bond, if a contractor
29 fails to pay prevailing wages; provided that, the municipality notifies the DLT and the contractor,
30 within ten (10) days of identifying nonpayment.

31 (6) Providing the DLT, in a form and manner prescribed by the DLT, a list of all projects
32 subject to prevailing wage requirements under this section.

33 (d) Certified payrolls. Weekly payrolls shall include the employee's name, classification,
34 hours worked, wage, fringe benefits, and employer's name. Falsifying payrolls constitutes a

1 violation, subject to penalties set forth in § 37-13-7.1(f).

2 (e) Subcontractor accountability. General contractors are jointly and severally liable with
3 subcontractors for compliance. Subcontractors shall comply with § 37-13-7.1 reporting and wage
4 requirements.

5 (f) Any violations of this section shall be subject to the following penalties:

6 (1) Civil fines of one hundred dollars (\$100) to five hundred dollars (\$500) per day per
7 violation.

8 (2) Issuance of stop-work orders. Violation of a stop-work order shall constitute a separate
9 violation. All project work shall immediately cease, until the original stop-work order has come
10 into compliance.

11 (3) Debarment for repeat offenders up to three (3) years.

12 (4) The DLT may pursue additional remedies, including back wages.

13 (g) Worker protections; anti-retaliation and nonpayment protections. Workers shall be
14 protected from retaliation for filing complaints with the municipal compliance officer of the DLT,
15 pursuant to chapter 14 of title 28 ("payment of wages").

16 (h) Review and reporting. The director of the department of labor and training shall:

17 (1) Monitor municipal projects for compliance, using payroll submissions and inspections.

18 (2) Publish annual summary reports identifying the:

19 (i) Number of municipal projects covered;

20 (ii) Violations identified and penalties assessed; and

21 (iii) Trends or recurring issues;

22 (3) Use the data to inform enforcement policies and guidance for municipalities.

23 (i) Rules and regulations. The DLT shall adopt rules and regulations to implement this
24 section including, but not limited to, payroll verification, reporting procedures, and enforcement
25 protocols.

26 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO PUBLIC PROPERTY AND WORKS -- LABOR AND PAYMENT OF DEBTS
BY CONTRACTORS

1 This act would raise the minimum threshold contract price before public works contractors
2 are required to pay prevailing wages to their employees, from one thousand dollars (\$1,000) to one
3 hundred thousand dollars (\$100,000). This act also would require municipal oversight, enforcement
4 and compliance with the payment of prevailing wages regarding municipal contracts.

5 This act would take effect upon passage.

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