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Construction Labor

REPORT

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State News

Indiana

Terre Haute Considering Ordinance to Require Firms Getting Tax Breaks to Pay Union Wages

CHICAGO--A proposed ordinance in Terre Haute, Ind., would require construction contractors obtaining tax abatements to pay construction workers at union scale wages in projects involving the construction or renovation of buildings.

The ordinance was debated during a City Council committee meeting Feb. 23. It would require contractors and subcontractors on tax-abatement supported projects to hire workers as employees, rather than independent contractors, which would require providing health care benefits to workers at "reasonable" costs.

Ordinance proponents argue that construction workers in Terre Haute should receive some benefit from working on projects that have received tax abatements. Opponents contend, however, that such a requirement would make the city of nearly 61,000 less competitive with cities that do not have similar restrictions.

Terre Haute City Council President George Azar told BNA Feb. 24 that the City Council's committee of the whole discussed the ordinance Feb. 23 and that a final vote could come on the ordinance at the council's March 9 meeting.

According to the ordinance, the Terre Haute City Council would be required to more favorably evaluate a project in which higher percentages of total fees for construction work will be paid. Specifically, the ordinance would require a contractor or subcontractor to file monthly payroll records for each worker on the project with the city's Board of Public Works and Safety and verify under oath that the common construction wage has been paid to each worker on the project. Failing to meet those conditions would be grounds for revoking any current or previously granted tax abatement.

The proposed ordinance is based on a 1999 ordinance passed in South Bend, Ind., Billy Livvex, a business representative of the Indiana Regional Council of Carpenters Local 133, told BNA Feb. 23.

"With the money involved in these projects receiving tax abatements, the workers should be benefiting also," Livvex said. 🗨️

By Thom Wilder

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