

Honolulu, Hawaii

APR 12, 2024

RE: S.C.R. No. 33  
S.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred S.C.R. No. 33, S.D. 1, entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS TO CONVENE AN INTERAGENCY TASK FORCE TO COMBAT THE UNDERGROUND ECONOMY AND EMPLOYEE MISCLASSIFICATION IN THE STATE'S CONSTRUCTION INDUSTRY,"

begs leave to report as follows:

The purpose of this measure is to request the Department of Labor and Industrial Relations to convene an interagency task force to combat the underground economy and employee misclassification in the state's construction industry.

Your Committee received testimony in support of this measure from the Hawaii Department of Labor and Industrial Relations, Pacific Resources Partnership and Hawaii State American Federations of Labor and Congress of Industrial Organizations.

Your Committee received comments from the Department of Commerce and Consumer Affairs - Professional Vocational Licensing Division and Department of Commerce and Consumer Affairs - Regulated Industries Complaints Office.

Your Committee notes that the establishment of an interagency task force is crucial because it facilitates the creation of a



framework that is better suited for developing an action plan. Several task force members' opinions enable more creative planning that can more effectively handle the problem. Your Committee further acknowledges that construction companies that follow the law are forced to compete with contractors who use off-the-books labor, misclassify employees as independent contractors, and evade paying taxes and social insurance premiums. Your Committee finds that the Interagency Task Force will ensure the collection of all taxes, fines, and penalties that illegal practices violate, as well as help ensure that workers have safe working conditions and receive their rightful compensation.

As affirmed by the record of votes of the members of your Committee on Labor & Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 33, S.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Government  
Operations,

  
SCOT Z. MATAYOSHI, Chair



