

Honolulu, Hawaii
March 28, 2006

RE: S.B. No. 3008

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 3008 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC WORK PROJECTS,"

begs leave to report as follows:

The purpose of this bill is to enhance the enforcement of Hawaii's prevailing wage law by ensuring that a violation of Hawaii's prevailing wage law (Chapter 104, Hawaii Revised Statutes (HRS)) arises with each separate project in which the Department of Labor and Industrial Relations (DLIR) finds that a contractor has failed to comply with the law.

The Hawaii Building and Construction Trades Council, AFL-CIO, International Brotherhood of Electrical Workers, Local 1186, and Laborers-Employers Cooperation and Education Trust testified in support of this bill. DLIR and the Associated Builders and Contractors, Inc., Hawaii Chapter, testified in opposition to this measure.

Under current law, a contractor found to be in violation of Chapter 104, HRS, is considered to have committed only one violation of the law, although multiple acts of violation may be occurring or recurring simultaneously on multiple public work projects performed by the same contractor. A lengthy process for conducting and completing investigations of possible violations by contractors who do not comply with the prevailing wage laws is also problematic, often resulting in contractors not being

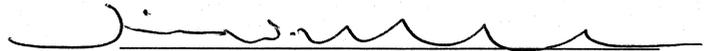


properly sanctioned or restricted from obtaining contracts for additional public works projects.

Your Committee finds that during the current construction boom, contractors should be allowed to operate on a level playing field and employees should be ensured of being paid prevailing wages when applicable. This measure will prevent contractors who continually violate the law on multiple occasions and on multiple public works projects from circumventing the law and gaining an unfair advantage over complying contractors, and ultimately will prevent workers from being paid less than fair wages.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3008 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,


KIRK CALDWELL, Chair



