STAND. COM. REP. NO. 164

Honolulu, Hawaii

Fely 8, 2007

RE: H.B. No. 853 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 853 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, and Hawaii State AFL-CIO testified in support of this bill. DLIR the Building Industry Association of Hawaii, and Brookefield Homes Hawaii Inc. 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 violations may be occurring or recurring simultaneously on multiple public work projects performed by the same contractor. The lengthy process for conducting and completing investigations of possible violations is also problematic, often resulting in contractors not being properly sanctioned or restricted from obtaining contracts for additional public works projects.

HB853 HD1 HSCR LAB HMS 2007-1923



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, gaining an unfair advantage over complying contractors, and preventing workers from being paid fair wages.

However, your Committee understands the concerns raised by the Director of Labor and Industrial Relations that any violation, regardless of severity or the willfulness of the contractor in committing the violation, will be counted as a separate violation under this bill and have the unintended consequence of punishing employers for honest, unintentional errors.

Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2059, to facilitate further discussion.

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 H.B. No. 853, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 853, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

ALEX M. SONSON, Chair

HSCR 164

State of Hawaii House of Representatives The Twenty-fourth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 853	Date:	2-6-07		
Committee Referral: LAB,EDB,FIN	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended	Pass, with amendments			
☐ Hold	Pass, with amendments, for recommittal for further consideration			
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. SONSON, Alex M. (C)	•			
2. NAKASONE, Bob (VC)	/			
3. EVANS, Cindy				
4. HAR, Sharon E.	V			
5. LEE, Marilyn B.	1			
6. LUKE, Sylvia	/			
7. McKELVEY, Angus L.K.	/			
8. NISHIMOTO, Scott Y.	V			
9. SOUKI, Joseph M.	•			
10. TAKAMINE, Dwight Y.	~			
11. TAKUMI, Roy M.				
12. MEYER, Colleen Rose			-	~
13. PINE, Kymberly Marcos				
TOTAL	(1			2
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s) Vice Chair's or designee's signature: Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				
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