STAND. COM. REP. NO. **208**

Honolulu, Hawaii

MAR 1 8 2011

RE: H.B. No. 1434

> H.D. 2 S.D. 1

Honorable Shan S. Tsutsui President of the Senate Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1434, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to clarify that a contractor may be charged with multiple violations of the prevailing wage law if, after investigation, the contractor is found to have committed multiple or recurring violations of the prevailing wage law on multiple public work projects.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawaii Government Employees Association; Hawaii State AFL-CIO; Hawaii Building and Construction Trades Council of the AFL-CIO; Plumbers and Fitters Union, Local 675; International Brotherhood of Electrical Workers, Local Union 1186; and International Brotherhood of Electrical Workers, Local Union 1260. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii; Jas. W. Glover, Ltd.; Simmons Steel Corporation; Royal Contracting Co., Ltd.; Ralph S. Inouye Co., Ltd.; PVT Land Company, Ltd.; Curtis Law Construction; Tomco Corp.; S&M Sakamoto, Inc.; Koga Engineering and Construction, Inc.; LYZ, Inc.; Delta Construction Corporation; and Dorvin D. Leis Co., Inc.

Your Committee finds that this measure enhances the capacity of the Department of Labor and Industrial Relations to ensure that contractors working on public work projects comply with Hawaii's prevailing wage law. Your Committee further finds that because investigations into wage law violations may take a year or more to complete and because accumulated violations expire after two years for purposes of the State's three-strikes license suspension policy, habitual violators frequently avoid penalties for their violations of the law. Your Committee acknowledges the concerns of the contractor community that a contractor engaged in multiple public work projects at one time may be subject to license suspension based on a single investigation. However, your Committee further finds that violations of the prevailing wage law cause serious harm to workers and their families. Therefore, it is in the public interest to quickly and effectively enforce the law.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1434, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1434, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Respectfully submitted on behalf of the members of the Committee on Commerce and Consumer Protection,

ROSALYN H. BAKER, Chair

The Senate Twenty-Sixth Legislature State of Hawai'i

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:* Committee Referral: Date:					
HB 1434, HD2 CPN, JDL 3/15/11					
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)					
TANIGUCHI, Brian T. (VC)					/
GALUTERIA, Brickwood					
GREEN, M.D., Josh		V			
NISHIHARA, Clarence K.		$\sqrt{}$			
SOLOMON, Malama		<u> </u>			V
SLOM, Sam				V	
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TOTAL		4	0	1	2
Recommendation:					
Adopted Not Adopted					
Chair's or Designee's Signature:					
Joh De					
Distribution: Original Yellow Pink Goldenrod					
File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes