## A BILL FOR AN ACT

RELATING TO WAGES AND HOURS ON PUBLIC WORKS.

## BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTI	ON 1. Section 104-24, Hawaii Revised Statutes, is
2	amended by	amending subsection (c) to read as follows:
3	" (C)	Where the department finds that a third violation of
4	this chapt	er has been committed, whether on the same contract or
5	another, w	within two years of the second notification of
6	violation,	the department, after proper notice and opportunity
7	for hearin	ng, shall order the person or firm in violation:
8	(1)	To pay a penalty equal to two times the amount of back
9		wages found due or \$200 for each offense, whichever is
10		greater; and
11	(2)	To be suspended from doing any new work on any public
12		work of a governmental contracting agency for a period
13		of [three] five years except as provided in section
14		104-25(a)(2). "New work on any public work" includes
15		any public works project in which the suspended person
16		or firm has not begun work at the job site as of the
17		date of the suspension order. The suspension shall be
18		effective on the later of the twenty-first day after

1		the sending of the notification or violation, or
2		issuance of a decision pursuant to section 104-23(c).
3	SECT	ION 2. Section 104-25, Hawaii Revised Statutes, is
4	amended by	y amending subsections (a) and (b) to read as follows:
5	"(a)	The director shall suspend a person or firm as
6	follows:	
7	(1)	For a first or second violation, if a person or firm
8		fails to pay wages found due, any penalty assessed, or
9		both, the person or firm shall be immediately
10		suspended from doing any work on any public work of a
11		governmental contracting agency until all wages and
12		penalties are paid in full;
13	(2)	For a third violation, the suspension shall be as
14		prescribed in section 104-24(c); provided that, if the
15		person or firm continues to violate this chapter or
16		fails to pay wages found due or any penalty assessed,
17		or both, then the contractor shall immediately be
18		suspended from doing any work on any public work of a
19		governmental contracting agency for a mandatory
20		[three-year] five-year period. If after the [three-
21		year] five-year suspension period the wages found due
22		or penalties assessed are still unpaid, the suspension

1		shall remain in force until payment is made in full;
2		or
3	(3)	For falsification of records, or for delay or
4		interference with an investigation pursuant to section
5		104-22, the contractor shall be <u>immediately</u> suspended
6		for a period of [three] five years.
7	(b)	The director shall immediately notify the governmental
8	contracti	ng agency, comptroller [and], the auditor or director
9	of financ	e of the county, and, in the case of a suspended
10	subcontra	ctor, the general contractor of any suspension order."
11	SECT	ION 3. This Act does not affect rights and duties that
12	matured,	penalties that were incurred, and proceedings that were
13	begun bef	ore its effective date.
14	SECT	ION 4. Statutory material to be repealed is bracketed
15	and stric	ken. New statutory material is underscored.
16	SECT	ION 5. This Act shall take effect on July 1, 2050;
17	provided	that on June 30, 2018, this Act shall be repealed and
18	sections	104-24 and 104-25, Hawaii Revised Statutes, shall be
19	reenacted	in the form in which they read on the day prior to the
20	effective	date of this Act.

## Report Title:

Public Works; Prevailing Wage; Penalties; Suspension

## Description:

Increases the suspension period from three to five years for a third violation of a person or firm who violates state law on wages and hours of employees on public works. Clarifies the effective date of suspension. Specifies that suspension for falsification of records or delay or interference with an investigation is immediate. Specifies who the director of labor and industrial relations must notify of any suspension order. Repeals 06/30/2018. Effective 07/01/2050. (SD1)

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