

Honolulu, Hawaii

APR 04 2017

RE: H.B. No. 1114
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1114, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO OCCUPATIONAL SAFETY AND HEALTH PENALTIES,"

begs leave to report as follows:

The purpose and intent of this measure is to achieve compliance with the federal Occupational Safety and Health Administration (OSHA) requirement that state-level standards and enforcement be at least as effective as OSHA standards and enforcement.

More specifically, this measure:

- (1) Increases the monetary penalties for violations of the Hawaii Occupational Safety and Health Law or any standard or rule adopted thereunder; and
- (2) Requires the Director of Labor and Industrial Relations to:
 - (A) Adjust the penalties each year as required by federal law; and



- (B) Report to the Legislature annually on the penalty adjustments.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations and the International Longshore and Warehouse Union Local 142.

Written comments in opposition were received from the Hawaii Business League and two individuals.

The General Contractors Association of Hawaii submitted written comments on the measure.

Your Committee finds that compliance with federal OSHA requirements will help to ensure federal funding of the Hawaii Occupational Safety and Health Division, which amounted to \$1,937,700 in fiscal year 2016-2017. Your Committee also finds that monetary penalties for violations of the Hawaii Occupational Safety and Health Law have remained stagnant since the Federal Civil Penalties Inflation Adjustment Act of 1990, which directed agencies to adjust civil monetary penalties for inflation but exempted OSHA. However, under the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, which does apply to OSHA, monetary penalties must be increased, then adjusted annually for inflation. Passage of this measure will bring the State into compliance with this federal mandate.

Your Committee has amended this measure by:

- (1) Clarifying that wilful or repeat violations shall be punishable by a civil penalty of not more than \$124,709 for each violation, with a minimum penalty of \$8,908 for each wilful violation;
- (2) Inserting a savings clause; and
- (3) Correcting a capitalization error.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1114, H.D. 1, S.D. 1, as amended herein, and recommends that



it pass Third Reading in the form attached hereto as H.B.
No. 1114, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

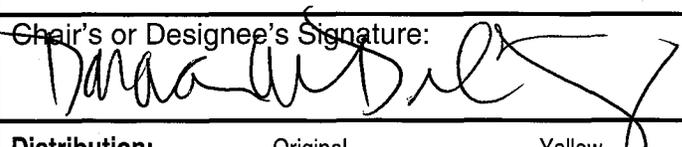


JILL N. TOKUDA, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1114, HD1, SD1	SDL, WAM	3/28/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani				/
GALUTERIA, Brickwood	/			
HARIMOTO, Breene				/
INOUYE, Lorraine R.				/
KAHELE, Kaiali'i				/
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	7			4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes