

STAND. COM. REP. NO.

1440

Honolulu, Hawaii

MAR 22, 2023

RE: S.B. No. 415
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred S.B. No. 415, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO WAGES,"

begs leave to report as follows:

The purpose of this measure is to make a general contractor entering into or operating under a contract in the State for the erection, construction, alteration, or repair of a building, structure, or other private work liable for the debt incurred by subcontractors for wages due to claimants, including interest owed, for performance of labor in the contract between the general contractor and the owner.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Operating Engineers Local Union No. 3, Hawaii Regional Council of Carpenters, and Pacific Resource Partnership. Your Committee received testimony in opposition to this measure from the Building Industry Association of Hawaii. Your Committee received comments on this measure from the General Contractors Association of Hawaii.

Your Committee finds that this measure provides a mechanism for laborers who do not receive the wages they are due from a

2023-2760 SB415 HD1 HSCR HMSO



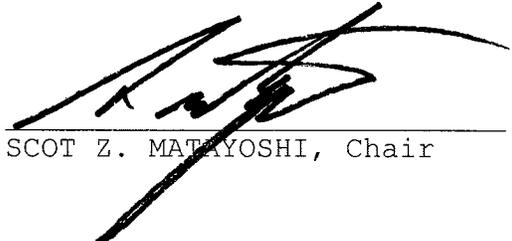
subcontractor to receive recourse from the general contractor on the project. This places the onus on the general contractor to perform the requisite due diligence at the outset, requires the subcontractor to provide payroll records, limits the general contractor's liability to unpaid wages and interest owed, and specifies who may bring the enforcement action.

Your Committee has amended this measure by:

- (1) Clarifying that the private work for which the general contractor bears liability for wages is private construction work;
- (2) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 415, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 415, S.D. 2, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Government
Operations,



SCOT Z. MATAYOSHI, Chair



