STAND. COM. REP. NO.

1440

, 2023

Honolulu, Hawaii

MAR 2 2

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

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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

State of Hawaii House of Representatives The Thirty-second Legislature

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Record of Votes of the Committee on Labor & Government Operations

SB415, SD2	Committee Referral: LGO, THA	Date:	3/21/23	3
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
LGO Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)				
2. GARRETT, Andrew Takuya (VO	C)		AND COMPLETE TO SERVICE	
3. KAPELA, Jeanne		I I I I I I I I I I I I I I I I I I I		
4. MARTINEZ, Rose				
4. MAKTIVEZ, ROSC				
5. SAYAMA, Jackson D.		1		uni das di sarun — nama sadun unibu u Anno di sas
6. TAM, Adrian K.				
7. ALCOS III, David				V
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TOTAL (7)	5	_	-	2
The recommendation is: Adopted				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				