STAND. COM. REP. NO. 1712

Honolulu, Hawaii

MAR 17 , 2023

RE: S.B. No. 435 S.D. 1 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. 435, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC WORKS,"

begs leave to report as follows:

The purpose of this measure is to:

- Order the person or firm found to be in violation of the state law governing wages and hours of employees on public works to be jointly and severally liable for the penalty, with the penalty increasing for repeat violations;
- (2) Require each notice of violation to contain the names of the person and the firm;
- (3) Define a "person" for purposes of violations of the state law governing wages and hours of employees on public works, and related penalties and suspension; and
- (4) Require the Director of Labor and Industrial Relations to suspend the person and firm under specified conditions.

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Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and Hawai'i State AFL-CIO. Your Committee received comments on this measure from the General Contractors Association of Hawaii and Hawaii Operating Engineers Industry Stabilization Fund Political Action Committee.

Your Committee finds that this measure seeks to eliminate the circumvention of the state law governing wages and hours of employees on public works by entities that transfer key personnel to a separate company and continue business under a new name to avoid the suspension from work provision.

Your Committee has amended this measure by changing the definition of "person" to clarify that the contractors license, rather than the construction license, is the relevant document, and that the subordinate responsible managing employees who fall within the definition are those employed during the calendar period being investigated.

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. 435, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 435, S.D. 1, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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

SCOT Chair

State of Hawaii House of Representatives The Thirty-second Legislature



Record of Votes of the Committee on Labor & Government Operations

Bill/Resolution No.:Committee Referral:Date:SB435, SD1LGO, J4A, FIN3/16/23				
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Pass (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 (VC)				14 <u>1</u>
3. KAPELA, Jeanne				
4. MARTINEZ, Rose				
5. SAYAMA, Jackson D.				
6. TAM, Adrian K.			- 1900 - 1925 - 1920 - 1720 - 1220 - 1220 - 1220 - 1220 - 1220 - 1220 - 1220 - 1220 - 1220 - 1220 - 1220 - 1220	
7. ALCOS III, David				
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TOTAL (7)	7	-	-	~
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				