

STAND. COM. REP. NO.

1506

Honolulu, Hawaii

MAR 24 , 2023

RE: S.B. No. 435  
S.D. 1  
H.D. 2

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

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred S.B. No. 435, S.D. 1, H.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:

- (1) Order the person or firm found to be in violation of the Wages and Hours of Employees on Public Works Law 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 firm;
- (3) Define a "person" for purposes of violations of the Wages and Hours of Employees on Public Works Law, and related penalties and suspension; and
- (4) Require the Director of Labor and Industrial Relations to suspend the person and firm under specified conditions.

2023-2801 SB435 HD2 HSCR HMSO



Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and Hawaii Operating Engineers Industry Stabilization Fund Political Action Committee. Your Committee received testimony in opposition to this measure from the Subcontractors Association of Hawaii. Your Committee received comments on this measure from the General Contractors Association of Hawaii.

Your Committee finds that when firms violate chapter 104, Hawaii Revised Statutes, the Wages and Hours of Employees on Public Works Law, these actions not only harm the employees who perform their duties but the actions also detract from the intent of the law, which is to protect the standards of workers on state and county public works construction projects and ensure the payment of prevailing wages and overtime to laborers and mechanics working on projects. This measure would impose penalties on the person and firm for violations of the state law, thereby ensuring compliance with the law.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of Labor and Industrial Relations must assess the penalties for second and subsequent violations of the Wages and Hours of Employees on Public Works Law;
- (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.

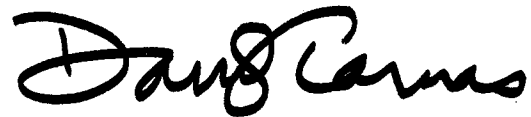
Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider:

- (1) Clarifying that the definition of "person" applies to a sole proprietor and the principal responsible managing employee for the project being investigated and holders of the contractor's license as provided under chapter 444, Hawaii Revised Statutes; and
- (2) Deleting language that would have included subordinate managing employees for the purposes of suspension and penalties and proper notice.



As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 435, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 435, S.D. 1, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary &  
Hawaiian Affairs,



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DAVID A. TARNAS, Chair



