

STAND. COM. REP. NO.

1079

Honolulu, Hawaii

MAR 03 , 2023

RE: H.B. No. 167
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 H.B. No. 167, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WAGES,"

begs leave to report as follows:

The purpose of this measure is to make general contractors entering into or under contracts in the State for work on buildings, structures, or other private works liable for debt incurred by subcontractors for wages due to claimants for performance of labor in the contract between the general contractor and owner.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Hawaii Regional Council of Carpenters, Operating Engineers Local Union No. 3, Hawaii Laborers-Employers Cooperation and Education Trust Fund, and Pacific Resource Partnership. Your Committee received testimony in opposition to this measure from the Subcontractors Association of Hawaii, Associated Builders and Contractors Hawaii Chapter, and one individual. Your Committee received comments on this measure from the General Contractors Association of Hawaii.

Your Committee finds that under existing law, general contractors are not held accountable for the unfair labor practices of their subcontractors, which includes the nonpayment

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of wages. As a result, general contractors may accrue financial benefits from the unfair labor practices of their subcontractors without repercussions. This measure encourages general contractors to perform their due diligence before hiring subcontractors and provides the authority to general contractors to obtain a subcontractor's employee payroll records and project award information to ensure their subcontractors are complying with the law.

Your Committee has amended this measure by:

- (1) Amending the definition of "employer" in chapter 388, Hawaii Revised Statutes, relating to the payment of wages and other compensation, to include a general contractor who, for purposes of wages owed to a subcontractor's employees, is deemed the employer for enforcement; and
- (2) 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 Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 167, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 167, H.D. 2.

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



DAVID A. TARNAS, Chair



