STAND. COM. REP. NO. 2360

Honolulu, Hawaii

FEB 1 4 2024

RE: S.B. No. 371 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred S.B. No. 371 entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

begs leave to report as follows:

The purpose and intent of this measure is to define "incidental and supplemental work" for purposes of specialty contractors under the Contractors Law.

Your Committee received testimony in support of this measure from the Iron Workers Stabilization Fund, Hawaii Sheet Metal Worker's Local Union 293, Hawaii Teamsters 996, Democratic Party of Hawai'i, Democratic Party of Hawai'i Labor Caucus, International Association of Heat and Frost Insulators and Allied Workers Local 132, Ironworkers Local 625, IATSE Local 665, and two individuals.

Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii and Pacific Resource Partnership.

Your Committee received comments on this measure from the Contractors License Board.

Your Committee finds that in the construction and trade labor fields, it is important to ensure that the individuals performing work are well trained and highly qualified so that the public may

be confident that construction projects are completed in a safe and competent manner. This measure will ensure that unionized workers can remain in their trade, be fairly compensated, and practice their profession in a manner that guarantees their financial well-being and public safety by defining "incidental and supplemental work" in statute.

Your Committee has amended this measure by:

- (1) Changing the percentage of incidental and supplemental work that a specialty contractor licensee may perform from five percent to an unspecified percentage; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 371, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 371, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on behalf of the members of the Committee on Labor and Technology,

HENRY J.C. AOPINO, Chair

The Senate Thirty-Second Legislature State of Hawaiʻi

Record of Votes Committee on Labor and Technology LBT

Bill / Resolution No.:*	Committee Referral:		Dat	Date:	
56371	LBT, CPN		'	2/9/24	
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
AQUINO, Henry J.C. (C)		Y			
MORIWAKI, Sharon Y. (VC)		V			
IHARA, Jr., Les		У			
LEE, Chris		X			:
FEVELLA, Kurt		Υ			
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Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes