

Honolulu, Hawaii

MAR 20 , 2026

RE: S.B. No. 2140
S.D. 1
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Labor, to which was referred S.B. No. 2140,
S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO COUNTY LABOR STANDARDS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize counties to require contractors to disclose employee wage, benefit, hour, and employment-status information and to allow counties, under certain conditions, to deny, revoke, or suspend building permits for violations of related laws; and
- (2) Establish a process by which an owner or developer may replace a noncompliant contractor and transfer the building permit to the replacement contractor.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Pacific Resource Partnership; International Union of Operating Engineers Local 3; and Hawai'i Regional Council of Carpenters. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii; Grassroot Institute of Hawaii; and Maui Chamber of Commerce.



Your Committee finds that persistent wage theft, worker misclassification, and other employment-law violations in the construction industry undermine fair competition, harm workers, and continue to occur even when contractors have been formally cited by state or federal authorities. Your Committee further finds that enforcement gaps at the local level, combined with prolonged permitting timelines and limited mechanisms to prevent noncompliant contractors from continuing work, have allowed violators to proceed with projects while law-abiding contractors and workers are placed at a disadvantage. This measure provides a practical and accountable framework that strengthens enforcement and promotes a fair, lawful, and competitive construction industry.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2140, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2140, S.D. 1, 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,


JACKSON D. SAKAMA, Chair



Record of Votes of the Committee on Labor

Bill/Resolution No.: SB 2140, SD1	Committee Referral: LAB, JAA	Date: 3/17/26
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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)

LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. SAYAMA, Jackson D. (C)	X			
2. LEE, Mike (VC)	X			
3. GARRETT, Andrew Takuya	X			
4. KAPELA, Jeanne	X			
5. KONG, Sam Satoru	X			
6. REYES ODA, Julie				X
TOTAL (6)	5			1

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature:

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