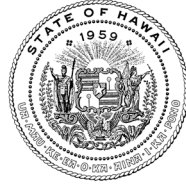


JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

March 31, 2026

To: The Honorable David A. Tarnas, Chair,
The Honorable Mahina Poepoe, Vice Chair, and
Members of the House Committee on Judiciary & Hawaiian Affairs

Date: Tuesday, March 31, 2026
Time: 2:00 p.m.
Place: Conference Room 325, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. 2140 SD1 HD1 RELATING TO COUNTY LABOR STANDARDS

The **DLIR supports** this proposal, which empowers counties to enact ordinances requiring employers to disclose wage and benefit information, as well as employment status. It also authorizes counties to deny, revoke, or suspend building permits for violations of labor laws. These ordinances, if enacted, would complement existing State and Federal labor laws without interfering with ongoing investigations. By reinforcing compliance, county ordinances can play a vital role in safeguarding the welfare and livelihood of Hawai'i's workforce and promoting fair labor practices across our communities.

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Testimony of
Pacific Resource Partnership

Hawai'i State Legislature
Honorable Members of the House Committee on Judiciary and Hawaiian Affairs
Tuesday, March 31, 2026

Subject: Strong support for SB2140 SD1 HD1 – Relating to County Labor Standards

Aloha Chair Sayama, Vice Chair Lee, and members of the committee:

Pacific Resource Partnership (PRP) is a labor-management partnership between the Hawai'i Regional Council of Carpenters — representing more than 6,000 union carpenters and apprentices — and over 250 signatory contractors across the state. We proudly stand for a fair, thriving construction industry that supports Hawai'i's working families, legitimate businesses, and taxpayers. PRP strongly urges the committee to pass SB2140 SD1.

As detailed on our website (PRP-Hawaii.com) and Play Fair In Hawai'i campaign, we are deeply committed to exposing and eliminating tax fraud, worker misclassification, and other non-compliant practices that harm our communities. Hawai'i's construction industry drives economic growth and infrastructure development, yet it continues to suffer from an underground economy.

Out-of-state firms too often undercut local contractors by paying substandard wages, misclassifying workers, and evading taxes, which harms Hawai'i families and drives up costs for everyone else. In fact, PRP has active investigations ongoing on two different islands where we are confident that mainland contractors are exploiting workers and cheating on federal, state, and county taxes. These cases underscore the ongoing need for stronger tools to enforce the law. SB2140 SD1 HD1 provides exactly that by authorizing counties to:

- Require contractors to disclose critical employee details, such as wages, benefits, hours worked, and employment classification.



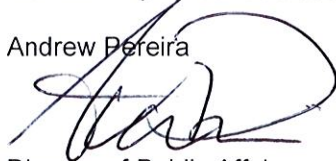
(Continued From Page 1)

- Deny, revoke, or suspend building permits when credible violations of existing state or federal labor laws are verified by the Hawai'i Department of Labor and Industrial Relations, the U.S. Department of Labor, or through a court order.

Importantly, SB2140 SD1 HD1 allows for the expedient approval of a replacement contractor and imposes no new labor requirements — it simply enhances enforcement of laws already on the books by integrating accountability into the local permitting process. This early intervention helps catch violations before they escalate. The result? A level playing field where honest contractors who follow the rules and treat workers fairly are not disadvantaged in bidding against bad actors. It increases public revenue through proper tax and insurance contributions without raising taxes on residents. And it builds greater trust and integrity in our construction sector, benefiting employees, ethical employers, and the entire community. PRP urges the committee to move this important legislation forward.

Mahalo for your consideration.

Andrew Pereira



Director of Public Affairs
Pacific Resource Partnership
1100 Alakea Street, 4th Floor
Honolulu, HI 96813
Phone: (808) 528-5557
Email: apereira@prp-hawaii.com
Website: www.prp-hawaii.com



HAWAII REGIONAL COUNCIL OF CARPENTERS

March 26, 2026

TO: The Honorable David A. Tarnas, Chair
The Honorable Mahina Poepoe, Vice Chair
Members of the House Committee on Judiciary & Hawaiian Affairs

RE: **TESTIMONY IN STRONG SUPPORT OF SB2140 HD1**

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

The Hawai'i Regional Council of Carpenters, representing over 6,000 skilled union carpenters and tradespeople across the islands, is grateful for the opportunity to submit our testimony in strong support of SB2140 HD1.

Across Hawai'i, hard-working men and women are being hurt by an underground economy in construction. In this shadow economy, **bad actors deliberately hide workers or misclassify them to avoid paying proper wages, providing required insurance, following licensing rules, and paying the taxes everyone else pays.**

SB2140 is about enforcing the laws we have already passed. Hawai'i already has wage, hour, and employment laws on the books. This bill does not change those standards. It simply makes sure those laws can be enforced where the work is happening, instead of falling through the cracks.

We have seen what happens when enforcement breaks down. The Maile Sky Court renovation in Waikiki was a \$25 million project that went forward even though contractors on the job were repeatedly breaking the law. On August 29, 2016, a joint enforcement action at the site resulted in the following findings.

- The Department of Labor and Industrial Relations issued **\$765,095 in penalties** to R and R Construction for **failing to provide prepaid health care, temporary disability insurance, and workers' compensation coverage.**
- The United States Department of Labor ordered R and R Construction to pay **\$371,365 in back wages and damages** for **overtime violations.**
- The Regulated Industries Complaints Office issued **\$25,000 fines** to Selby Construction Services and TRG Construction for **unlicensed activity.**
- Ron's Electrical Services, a subcontractor, was **fined \$10,000** for **unlicensed activity.**

Despite these serious violations, the project was allowed to proceed to completion. Unfortunately, this is not an isolated case. **Similar situations occur across the state, and when**

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KAUAI OFFICE: Kuhio Medical Ctr Bldg., 3-3295 Kuhio Hwy, Suite 201, Lihue, Kauai 96766-1040 • Ph. (808) 245-8511 Fax (808) 245-8911

violations are allowed to continue, it sends a message that cutting corners is tolerated while law abiding contractors are put at a disadvantage.

Construction happens under county permits. Counties are often the first and sometimes the only public agencies in a position to see when violations are happening. Without clear local authority, violations can continue for months or years while cases sit in state or federal backlogs.

SB2140 closes this enforcement gap. It allows counties to connect their permitting authority with basic labor compliance. Counties already enforce building, health, and safety requirements as part of the permitting process. Making sure workers are paid legally and treated fairly is a reasonable extension of that responsibility.

Stronger enforcement also protects public revenues. When workers are cheated through wage theft or misclassification, contractors are often also avoiding income taxes, payroll taxes, unemployment insurance contributions, and other required payments. By stopping violations earlier at the permitting stage, SB2140 helps ensure wages are properly reported and taxes already owed are being collected. That means more funding for schools, infrastructure, and public services without raising taxes on honest businesses or working families.

This bill also protects law-abiding contractors. Too many responsible employers lose bids to competitors who win work by breaking the law. SB2140 helps level the playing field so doing the right thing is not a disadvantage.

Just as important, SB2140 does not create new labor laws. The Legislature keeps full control over labor standards. Counties are simply given the authority to act within boundaries the Legislature has already set. **There is no mandate on counties, and each county can decide whether and how to act based on local needs and capacity.**

Additionally, to address concerns of potentially disrupted projects such as affordable housing for property owners or developers who inadvertently hire a noncompliant contractor, the amended language allows property owners to transfer a permit to a compliant replacement contractor through an expedited process while keeping existing plans and approvals valid unless the scope of work changes. This helps ensure projects can continue without unnecessary delays while maintaining labor and licensing compliance standards.

At the end of the day, this bill is about accountability and trust. Allowing repeated violators to continue receiving permits erodes public confidence that our laws are being taken seriously. SB2140 sends a clear message that in Hawai'i, the rules apply to everyone and honest work is respected.

Mahalo for the opportunity to testify.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON JUDIARY & HAWAIIAN AFFAIRS
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325
TUESDAY, MARCH 31, 2026 AT 2:00 P.M.**

To The Honorable Representative David A. Tarnas, Chair
The Honorable Representative Mahina Poepoe, Vice Chair
Members of the Committee on Judiciary & Hawaiian Affairs

OPPOSE SB2140 SD1 HD1 RELATING TO COUNTY LABOR STANDARDS

The Maui Chamber of Commerce opposes SB2140 SD1 HD1, which would authorize counties to require contractors to disclose employment information and allow counties to deny, revoke, or suspend a building permit for alleged violations related to wages, benefits, hours, or employment status.

The Chamber strongly supports ethical businesses that follow all wage, hour, and employment laws. Protecting workers and ensuring fair labor practices are important priorities for the business community.

However, enforcement of these laws already falls under the jurisdiction of the Hawaii State Department of Labor and Industrial Relations (DLIR). DLIR maintains established processes to investigate complaints, enforce compliance, and penalize companies that violate labor laws. Employees also have existing avenues to report concerns and file claims through the department.

Given these existing protections and enforcement mechanisms, SB2140 SD1 HD1 creates a redundant layer of oversight. The measure would place additional administrative burdens on contractors and county agencies at an additional cost to the counties at a time of financial concern, without improving worker protection. Additionally, if there are any discrepancies between DLIR and the county agency, how will that be addressed?

Furthermore, counties across the state are already facing significant challenges related to permitting delays and workforce shortages. Granting counties new authority to review employment compliance as part of the permitting process could further slow approvals and add another layer of bureaucracy to an already strained system. All of these extra burdens equate to time and delays that will hamper our top state crisis (affordable/attainable housing), as this bill impacts permitting and the contractors who create and sustain housing.

For these reasons, the Maui Chamber of Commerce opposes SB2140 SD1 HD1 and asks that this bill be deferred.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

March 31, 2026, 2 p.m.
Hawaii State Capitol
Conference Room 325 and Videoconference

To: House Committee on Judiciary and Hawaiian Affairs
Rep. David Tarnas, Chair
Rep. Mahina Poepoe, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: TESTIMONY IN OPPOSITION TO SB2140 SD1 HD1 — RELATING TO COUNTY LABOR STANDARDS

Aloha Chair, Vice Chair and other Committee Members,

The Grassroot Institute of Hawaii **opposes** [SB2140 SD1 HD1](#), which would allow the counties to require that certain wage, benefit and employment status information be disclosed on building permit applications.

This measure could slow Hawaii's already glacial permitting process and would duplicate state efforts to enforce employment laws.

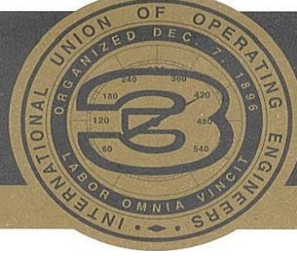
The Economic Research Organization at the University of Hawai'i has found that Hawaii's average permit approval delay is more than three times the national average. Adding to these delays by requiring even more information from applicants could stymie efforts to build much-needed housing.

The UHERO report notes that "Extreme delays in permitting will generate significant costs and uncertainty for developers, creating a disincentive for new projects."¹

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

¹ Rachel Inafuku, Justin Tyndall and Carl Bonham, "[Measuring the Burden of Housing Regulation in Hawaii](#)," Economic Research Organization at the University of Hawai'i, April 14, 2022, p.7.



March 30, 2026

Honorable, David A. Tarnas, House Committee on Judiciary & Hawaiian Affairs, Chair
Honorable, Mahina Poepoe, House Committee on Judiciary & Hawaiian Affairs, Vice Chair
Honorable Members of House Committee on Judiciary & Hawaiian Affairs

**RE: SB 2140 SD1 HD1- CONTRACTORS; EMPLOYEES; COUNTIES; WAGES; BENEFITS; HOURS;
EMPLOYMENT STATUS; DISCLOSURE**

Chair Sayama,

My name is Ana Tuiasosopo, and I am a Trustee and District Representative for the International Union of Operating Engineers (IUOE) Local 3, representing heavy equipment operators, mechanics, surveyors, and other skilled tradespeople in Hawai'i's construction industry. I submit this testimony in strong support of SB 2140 SD1 HD1.

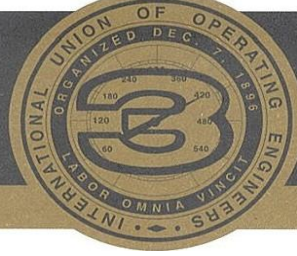
SB 2140 SD1 HD1 closes a critical enforcement gap by aligning county permitting authority with existing state and federal labor determinations. Under current law, contractors may continue to obtain or retain building permits even after being formally cited for wage theft, misclassification, or other labor violations. This undermines worker protections and places law-abiding contractors at a competitive disadvantage. SB2140 SD1 corrects this imbalance by allowing counties to rely on established findings by the Department of Labor and Industrial Relations, the U.S. Department of Labor, or a court—without creating new labor standards or adjudicatory powers at the county level.

This measure promotes fairness and accountability in the construction industry. Contractors who comply with wage, benefit, and employment laws should not be undercut by those who reduce costs through unlawful practices. By tying permit eligibility to compliance with existing labor laws, SB 2140 reinforces a level playing field while encouraging responsible business practices that support Hawai'i's workforce and economy.

The provision in this bill that **allows a property owner or developer to replace a noncompliant contractor and transfer the building permit to a replacement contractor** is critical. Allowing a replacement contractor to step in—while keeping previously approved plans, conditions, and inspections valid—provides a practical path forward that protects both the project and the workforce.

Lastly, SB 2140 SD1 HD1 preserves due process and respects jurisdictional boundaries. Counties do not determine labor violations; they act only after violations have been formally established by the appropriate authority. The bill therefore strengthens enforcement without expanding regulatory overreach or creating duplicative enforcement systems.

I humbly ask for your support and approval of SB 2140 SD1 HD1.



Sincerely,

Ana Tuiasosopo
District Representative, Trustee
Operating Engineers Local 3



March 31, 2026

TO: HONORABLE DAVID TARNAS, CHAIR, HONORABLE MAHINA POEPOE, VICE CHAIR, COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

SUBJECT: **OPPOSITION TO S.B. 2140 SD1 HD1, RELATING TO COUNTY LABOR STANDARDS.** Authorizes the counties to require contractors to disclose information regarding their employees' wages, benefits, hours, and employment status and deny, revoke, or suspend a building permit application for violating laws relating to wages, benefits, hours, and employment status, under certain conditions. Establishes a process by which an owner or developer may replace a noncompliant contractor and transfer the building permit to the replacement contractor.

HEARING

DATE: Tuesday, March 31, 2026
TIME: 2:00 p.m.
PLACE: Capitol Room 325

Dear Chair Tarnas, Vice Chair Poepeo and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately five hundred (500) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. Our mission is to elevate Hawaii's construction industry and strengthen the foundation of our community.

GCA **opposes** S.B. 2140 SD1 HD1, which authorizes the counties to require contractors to disclose information regarding its employees' wages, benefits, hours, and employment status and deny, revoke, or suspend a building permit application for violating laws relating to wages, benefits, hours, and employment status, under certain conditions. Establishes a process by which an owner or developer may replace a noncompliant contractor and transfer the building permit to the replacement contractor.

GCA appreciates the intent of the measure as it seeks to deter bad actors from the industry. However, we would like to note that there are already mechanisms in place to punish contractors who violate wage and hour laws. The Department of Labor and Industrial Relations already enforces state wage and hour laws under Chapters 387 and 388, HRS and this measure would allow counties to add an additional layer of bureaucracy to an already delayed permitting process.

Further, this measure has the potential to unjustly punish the property owner, who may not know of any violations, instead of the contractor because it is the property owner who will have their permit revoked.



**GENERAL
CONTRACTORS
ASSOCIATION
OF HAWAII**

The new amendment that allows a property owner to find a replacement contractor does not account for the fact that the that the cost of construction will most likely change with a new contractor. This could jeopardize financing for residential, affordable housing, and commercial projects.

QUALITY PEOPLE. QUALITY PROJECTS