

**ACT 288**

S.B. NO. 1399

**A Bill for an Act Relating to Wages and Hours on Public Works.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1. Purpose.** The purpose of this Act is to require all contractors who submit bids on public works projects to bid on those

projects pursuant to standards which are fair and equitable and fairly and equitably applied.

Under federal law, all contractors who bid on federal public works projects are required to pay fringe benefits for overtime work. The requirement places all contractors at the same starting gates before the bidding, without any one contractor having an unfair advantage over another. Like the federal law, the State law should provide no special advantages to one contractor over another on bids submitted on public works projects.

SECTION 2. Section 104-1, Hawaii Revised Statutes, is amended to read as follows:

**“§104-1 Definitions.** As used in this chapter, the following words and phrases shall have the following meanings:

- (1) “Basic hourly rate” means the hourly wage paid to a laborer or mechanic for work performed during non-overtime hours, but shall not include the cost to an employer of furnishing fringe benefits whether paid directly or indirectly to the laborer or mechanic as provided in subsection (5);
- (2) “Construction” includes alteration, repair, painting and decorating;
- (3) “Director” means the director of labor and industrial relations of the State;
- (4) “Governmental contracting agency” means the State, any county<sup>1</sup> and any officer, bureau, board, commission, or other agency or instrumentality thereof;
- (5)<sup>1</sup> “Overtime compensation” means compensation based on one and one-half times the laborers or mechanics basic hourly rate of pay plus the cost to an employer of furnishing a laborer or mechanic with fringe benefits as described in subsection (6);
- [(5)] (6) “Wages”, “rate of wages”, “wage rates”, “minimum wages” and “prevailing wages” mean the basic hourly rate and the cost to an employer of furnishing a laborer or mechanic with fringe benefits, including but not limited to health and welfare benefits, vacation benefits, and pension benefits, whether paid directly or indirectly to the laborer or mechanic.”

SECTION 3. Section 104-2, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) The contract and specifications shall contain the provision that no laborer or mechanic employed on the job site of any public work of the State or any political subdivision thereof shall be permitted or required to work on Saturday, Sunday, or a legal holiday of the State or in excess of eight hours on any other day unless the laborer or mechanic receives overtime compensation for all hours worked on Saturday, Sunday, and a legal holiday of the State or in excess of eight hours on any other day [at a rate not less than one and one-half times the laborer’s or mechanic’s basic hourly rate of pay]. For purposes of determining overtime compensation under this subsection, the basic hourly rate of any laborer or mechanic shall not be less than the basic hourly rate determined by the director to be the prevailing basic hourly rate for corresponding classes of laborers and mechanics on projects of similar character in the State.”

SECTION 4. Statutory material to be repealed is bracketed. New material is underscored.

**SECTION 5.** This Act shall take effect upon its approval.

(Approved June 25, 1987.)

**Note**

1. So in original.