

ACT 229

S.B. NO. 962

A Bill for an Act Relating to Prevailing Wages.

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

SECTION 1. Section 104-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Every laborer and mechanic performing work on the job site for the construction of any public work project shall be paid no less than prevailing wages; provided that:

- (1) The prevailing wages shall be [not less than the wages that the director of labor and industrial relations, under the rules, shall have determined to be the prevailing wages for corresponding classes of laborers and mechanics on projects of similar character in the State;] established by the director as the sum of the basic hourly rate and the cost to an

employer of providing a laborer or mechanic with fringe benefits. In making prevailing wage determinations, the following shall apply:

(A) The director shall make separate findings of:

(i) The basic hourly rate; and

(ii) The rate of contribution or cost of fringe benefits paid by the employer when the payment of the fringe benefits by the employer constitutes a prevailing practice. The cost of fringe benefits shall be reflected in the wage rate scheduled as an hourly rate; and

(B) The rates of wages which the director shall regard as prevailing in each corresponding classification of laborers and mechanics shall be the rate of wages paid to the greatest number of those employed in the State, the modal rate, in the corresponding classes of laborers or mechanics on projects that are similar to the contract work;

- (2) The prevailing wages shall be not less than the wages payable under federal law to corresponding classes of laborers and mechanics employed on public works projects in the State that are prosecuted under contract or agreement with the government of the United States; and
- (3) Notwithstanding the provisions of the original contract, the prevailing wages shall be periodically adjusted during the performance of the contract in an amount equal to the change in the prevailing wage as periodically determined by the director.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Became law on July 12, 2005, without the Governor’s signature, pursuant to Art. III, §16, State Constitution.)