

Honolulu, Hawaii

MAR 17 2006

RE: H.B. No. 2692
H.D. 1
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Labor and Transportation and Government Operations, to which was referred H.B. No. 2692, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC WORKS,"

beg leave to report as follows:

The purpose of this measure is to require the Department of Labor and Industrial Relations to be responsible for enforcing the provision of and ensuring compliance with chapter 104, Hawaii Revised Statutes (HRS), for public work projects that are not directly caused by a governmental contracting agency.

Additionally, this measure:

- (1) Creates a new section within chapter 39A, HRS, to require the reporting to DLIR of any issuance of a special purpose revenue bond for a public work project that is subject to chapter 104, HRS, but not directly caused by a governmental contracting agency;
- (2) Excludes housing developments under chapter 201H, HRS, from compliance with section 104-2, HRS; and
- (3) Clarifies that a violation of chapter 104, HRS, refers to each project in which DLIR finds a violation.

Testimony in support of this measure was submitted by the IBEW Local 1186, the Hawaii State AFL-CIO, and the Hawaii Building



and Construction Trades Council, AFL-CIO. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR), the Hawaii Island Contractors' Association, and the Hawaii Chapter of Associated Builders and Contractors, Inc.

Your Committees find that under the current law a contractor who is found to be in violation of chapter 104, HRS, is considered to have committed only one violation of the law, although multiple violative acts may be occurring or recurring simultaneously on multiple public work projects performed by the same contractor. Your Committees further find that due to the lengthy process for conducting and completing investigations of possible violations, contractors who do not comply with the prevailing wages laws are not properly sanctioned or restricted from obtaining contracts for additional public work projects. Your Committees are concerned, particularly during the current construction industry boom, that contractors be carefully monitored and sanctioned as necessary to provide a level playing field for all contractors and to ensure the payment of prevailing wages to all eligible workers.

Furthermore, your Committees determine that other legislative vehicles are progressing throughout the session that address the same or similar issues as contained in this measure. However, your Committees further find that the issue of preventing contractors who continually violate the law on multiple occasions and on multiple public work projects from circumventing the law and gaining an unfair advantage over complying contractors is not addressed by any other measure in the Senate at this time.

Accordingly, your Committees have amended this measure by deleting its contents and inserting the language of S.B. 3008. As amended, this measure, upon its approval, will clarify that a single violation refers to each separate project where DLIR finds a contractor has failed to comply with chapter 104, HRS.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2692, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2692, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Labor and
Transportation and Government
Operations,



LORRAINE R. INOUE, Chair


BRIAN KANNO, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Labor
(Bills and Resolutions)

Measure:* HB 2692 HD1	Committee Referral: LBR / TGO, WAM	Date: 3/15/06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
KANNO, Brian (C)	✓			
IHARA, Jr., Les (VC)	✓			
TANIGUCHI, Brian T.				✓
SLOM, Sam			✓	
TOTAL	2	0	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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				

*Do not list more than one measure per Record of Votes.

