

Honolulu, Hawaii

MAR 17 2006

RE: H.B. No. 2952
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. 2952, 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 (DLIR) to enforce the laws of chapter 104, Hawaii Revised Statutes (HRS), and to collect and maintain the certified copies of payrolls for any public work project subject to chapter 104, HRS, that was not directly built or developed by a governmental contracting agency.

Testimony in support of this measure was submitted by the IBEW Local 1186 and Hawaii Building and Construction Trades Council, AFL-CIO. Testimony in opposition to this measure was submitted by DLIR, the Department of Accounting and General Services, and the Hawaii Chapter of Associated Builders and Contractors, Inc.

Your Committees find that contractors on certain public work projects have been able to avoid compliance with prevailing wages laws, largely due to a lack of monitoring and enforcement. Your Committees further find that many of these public work projects, including those that are funded through the use of special purpose revenue bonds, lack an identifiable governmental contracting agency. Contractors on public work projects without a governmental contracting agency are able to avoid compliance with



the law, as there is no entity to enforce or monitor compliance with chapter 104, Hawaii Revised Statutes. Your Committees believe that laborers on these public work projects should be receiving the payment of prevailing wages to ensure equity and uniformity in the execution of all public works projects. As enforcement and accountability is necessary on these types of projects, your Committees determine that DLIR is the appropriate entity to enforce and monitor compliance with the law for these types of projects in order to close the existing loophole in the system.

Accordingly, your Committees have amended this measure by:

- (1) Changing the effective date of the Act to be effective upon its approval; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

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. 2952, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2952, 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 2952 HD1	Committee Referral: LBR/TGD, 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.

