

STAND. COM. REP. NO. 164

Honolulu, Hawaii  
Feb 8, 2007

RE: H.B. No. 853  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 853 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC WORK PROJECTS,"

begs leave to report as follows:

The purpose of this bill is to enhance the enforcement of Hawaii's prevailing wage law by ensuring that a violation of Hawaii's prevailing wage law (Chapter 104, Hawaii Revised Statutes (HRS)) arises with each separate project in which the Department of Labor and Industrial Relations (DLIR) finds that a contractor has failed to comply with the law.

The Hawaii Building and Construction Trades Council, AFL-CIO, and Hawaii State AFL-CIO testified in support of this bill. DLIR the Building Industry Association of Hawaii, and Brookefield Homes Hawaii Inc. testified in opposition to this measure.

Under current law, a contractor found to be in violation of Chapter 104, HRS, is considered to have committed only one violation of the law, although multiple violations may be occurring or recurring simultaneously on multiple public work projects performed by the same contractor. The lengthy process for conducting and completing investigations of possible violations is also problematic, often resulting in contractors not being properly sanctioned or restricted from obtaining contracts for additional public works projects.



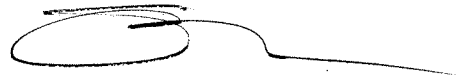
Your Committee finds that during the current construction boom, contractors should be allowed to operate on a level playing field and employees should be ensured of being paid prevailing wages when applicable. This measure will prevent contractors who continually violate the law on multiple occasions and on multiple public works projects from circumventing the law, gaining an unfair advantage over complying contractors, and preventing workers from being paid fair wages.

However, your Committee understands the concerns raised by the Director of Labor and Industrial Relations that any violation, regardless of severity or the willfulness of the contractor in committing the violation, will be counted as a separate violation under this bill and have the unintended consequence of punishing employers for honest, unintentional errors.

Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2059, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 853, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 853, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,



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ALEX M. SONSON, Chair



