

STAND. COM. REP. NO.

1698

Honolulu, Hawaii

APR 05 2007

RE: H.B. No. 861
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 861, H.D. 1, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to ensure that public works projects financed using special purpose revenue bonds, are in compliance with chapter 104, Hawaii Revised Statutes (wages on public works).

Specifically, this measure:

- (1) Directs the Director of Finance to notify the Director of Labor and Industrial Relations whenever the former issues special purpose revenue bonds for a public works project that is subject to chapter 104, Hawaii Revised Statutes, but is not directly undertaken by a governmental agency, in order to allow the Director of Labor and Industrial Relations to carry out the latter's duties under chapter 104, Hawaii Revised Statutes; and
- (2) Provides that in the event that a project is undertaken by a project party pursuant to a project agreement and financed or refinanced by special purpose revenue bonds, all as defined under chapter 39A, Hawaii Revised Statutes, and the project party has entered into a collective bargaining agreement with a bona fide labor



union governing the project party's workforce, then the terms of the collective bargaining agreement shall be deemed the prevailing wages and terms serving as compliance with the provisions of section 104-2, Hawaii Revised Statutes, relating to prevailing wages, hours, and pay issues.

Your Committee received comments in support of this measure from the Hawaii State AFL-CIO, the International Brotherhood of Electrical Workers, and the Hawaii State Teachers Association. The Department of Budget and Finance and the Department of Labor and Industrial Relations offered comments in opposition to this measure, and Hawaiian Electric Company, Inc. submitted comments.

Your Committee finds that pursuant to section 104-2, Hawaii Revised Statutes, a public work may include any project where the funds to undertake the project are derived from the sale of bonds whose interest is exempt from state or federal taxes, such as special purpose revenue bonds issued pursuant to chapter 39A, Hawaii Revised Statutes. However, it should be noted that the changes to the law made by this measure do not apply to projects that are financed by the proceeds of special purpose revenue bonds issued prior to the effective date of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 861, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



