

---

---

# A BILL FOR AN ACT

RELATING TO CONTRACTOR SUSPENSION ON PUBLIC WORKS PROJECTS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Currently, contractors can be suspended for  
2 failure to pay back wages and penalties, or after the third  
3 notice of violation if the second violation is within two years  
4 of the first violation and the third violation is within two  
5 years of the second violation. There is currently no method to  
6 debar contractors who cheat and get caught unless they fail to  
7 pay back wages, which rarely happens. State or county  
8 government agencies should not be in business with those who  
9 falsify payrolls or do not cooperate. Attaching suspension to  
10 the penalty provisions of section 104-22(b), Hawaii Revised  
11 Statutes, will create a clear line for those who are not willing  
12 to comply with the law. Chapter 104, Hawaii Revised Statutes,  
13 is a law imposed to even the playing field in bidding for public  
14 works jobs and pay a prevailing wage to workers. It is not  
15 unreasonable to impose a three-year suspension for those who are  
16 not willing to comply.

17           The purpose of this Act is to provide the department of  
18 labor and industrial relations with the ability to immediately



1 suspend and begin debarment proceedings against contractors that  
2 purposely defraud the State on a public works project or do not  
3 cooperate with the department of labor and industrial relations  
4 in determining if there has been a violation of the prevailing  
5 wage law.

6 SECTION 2. Section 104-25, Hawaii Revised Statutes, is  
7 amended by amending subsection (a) to read as follows:

8 "(a) The director shall suspend a person or firm as  
9 follows:

10 (1) For a first or second violation, if a person or firm  
11 fails to pay wages found due, any penalty assessed, or  
12 both, the person or firm shall be immediately  
13 suspended from doing any work on any public work of a  
14 governmental contracting agency until all wages and  
15 penalties are paid in full; [~~and~~]

16 (2) For a third violation, the suspension shall be as  
17 prescribed in section 104-24(c); provided that, if the  
18 person or firm continues to violate this chapter or  
19 fails to pay wages found due or any penalty assessed,  
20 or both, then the contractor shall immediately be  
21 suspended from doing any work on any public work of a  
22 governmental contracting agency for a mandatory three-



1           year period. If after the three-year suspension  
2           period the wages found due or penalties assessed are  
3           still unpaid, the suspension shall remain in force  
4           until payment is made in full[-]; or

5           (3) For a violation based on interference with or delay of  
6           an investigation pursuant to section 104-22, the  
7           contractor shall be suspended for a period of three  
8           years."

9           SECTION 3. Statutory material to be repealed is bracketed  
10          and stricken. New statutory material is underscored.

11          SECTION 4. This Act shall take effect upon its approval.



S.B. NO. 3087  
S.D. 1  
H.D. 1

**Report Title:**

Public Works; Falsification of Records; Suspension

**Description:**

Suspends contractors found to be in violation of the public works procurement law for falsification of records or delaying an investigation under the wage and hour law. (SB3087 HD1)

